

FBIS

DAILY REPORT

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MCFARLANE SAYS GENEVA TALKS 'ACCOMPLISH LITTLE'

OW200736 Beijing XINHUA in English 0709 GMT 20 Jul 85

["Geneva Arms Talks Accomplish Very Little, Says U.S. National Security Adviser" -- XINHUA headline]

[Text] Washington, July 19 (XINHUA) -- A senior Reagan administration official said today that the second round of U.S.-Soviet Geneva arms control talks have accomplished very little, although there were "a few signs that might ultimately prove to be promising."

At a White House press conference this afternoon, U.S. presidential national security adviser Robert McFarlane told reporters that "the Soviets are still reserving to themselves whatever ideas they may have, regarding reductions and how to achieve them in nuclear arms."

"They have remained in essentially a propaganda mode, seeking more to make political points and to influence public opinion than to engage in serious negotiations," he asserted.

This is the first official comment by a high-ranking official of the Reagan administration on the second round of the talks concluded three days ago.

McFarlane said that in the strategic arms reduction talks, the United States has tabled specific proposals, calling for "deep cuts," but the Soviet Union has only presented "a broad concept dealing with possible reductions in strategic forces."

However, he said, the United States will continue to probe the Soviet concept so as "to ascertain whether it provides any basis for making progress in the next round."

In the talks on space weapons, McFarlane said, the Soviets "have begun to engage us in a more serious dialogue," but they still insist on U.S. banning research which, he claimed, is permitted under the anti-ballistic missile (ABM) treaty.

"There really has been no movement at all" in the intermediate range nuclear force talks where, he said, the United States has proposed "a major global reduction" of this entire class of weapons.

However, he noted, during this round, "the Soviets were marginally less polemical than in the first round, and in some areas they have begun to respond to our efforts to engage them in a serious dialogue."

Asked whether he was optimistic about the third round of the talks scheduled on September 19, McFarlane said any basis for progress "turns upon a change in the Soviet approach to the talks." "There is no basis for a change in the United States position," he declared.

GATT COUNCIL IN GENEVA ENDS IN STALEMATE

OW191058 Beijing XINHUA in English 1033 GMT 19 Jul 85

[Text] Geneva, July 19 (XINHUA) -- After two full days and an entire night of negotiations, the council of the General Agreement on Tariffs and Trade (GATT) ended early this morning without having reached an agreement on a future date for senior-level talks aimed at stemming the rising tide of protectionism.

Delegations from 90 nations gathered yesterday for a final midnight meeting of the council of GATT, the world trade body whose members dominate the international trading system. Official sources among the delegations said that seven statements were studied in an effort to find a compromise in the latest North-South dispute, so that an international effort to fight new trade barriers could start.

The division among the delegations stems from the dispute over whether or not new talks should encompass the service sector, which includes banking, finance, insurance, shipping and tourism.

The United States and Europe, representing the industrial countries, proposed that preparatory talks begin on September 9. They insist, too, that the new talks must cover the service sector.

The September 9 proposal was fiercely opposed by a number of developing nations. Brazil and India led a drive for easier trade terms as a precondition for new multilateral talks. They would be willing to start a new trade negotiating round only if it was restricted to goods and agriculture.

Thus the GATT talks ended in a stalemate, both sides -- the industrial north and the developing south -- unwilling to compromise on the service-sector issue.

Many of the delegation leaders left early today for New Delhi where developing nations will start trade discussions on Sunday.

U.S. AGREES TO BELGIAN-PRC TELEPHONE CONTRACT

OW200726 Beijing XINHUA in English 0715 GMT 20 Jul 85

[Text] Brussels, July 19 (XINHUA) -- U.S. Vice-President George Bush confirmed yesterday the American agreement to a contract signed by the Belgian company, La Bell Telephone, with China, the Belgian French community television station reported today. Bush telephoned Belgian Prime Minister Wilfried Martens last night with the news, considered a victory for Belgium.

Under the contract, La Bell Telephone will export to China a system of optical fibres worth 12 billion Belgian francs. In 1984 the U.S. Government, under pressure by the Pentagon, attempted to stop the contract.

CHEN MUHUA COMMENTS ON WOMEN'S ROLE IN PRC

OW200722 Beijing XINHUA in English 0636 GMT 20 Jul 85

[Text] Nairobi, July 19 (XINHUA) -- The Chinese women, who once played an important role in the Chinese revolution, are playing an increasingly important role in the socialist construction for modernization, Chen Muhua, state councillor and head of the Chinese delegation to the world conference on the United Nations Decade for Women, said here today.

Addressing a press conference, Chen said there are six million Chinese women cadres working at state organs of all levels, including 13 women ministers and deputy ministers in the State Council and seven women provincial governors and deputy governors. Of the deputies to the People's Congress, 21.2 percent are women. There are 42 million women staff in the country, accounting for 36.7 percent of the total. Among them are industrial workers, scientific and technological staff, health service personnel and educational staff.

Chen pointed out China is implementing the principle of equal pay for equal work, and the Chinese women enjoy the same treatment as men in welfare, medical treatment and holiday leaves. Under the new marriage law adopted in 1981, husband and wife enjoy equal rights, share their obligations in the new-type family in which everybody shows respect for the old and cares for the young in an atmosphere of harmony.

She said China is a developing socialist country with rather low level of economy and education. There are still some feudal ideas and traditional prejudices left to be eliminated. Having achieved historic progress, the Chinese women are still facing an arduous task in improving their lots, she added.

She explained that in China family planning is a fundamental policy of the state, the essential content of which can be summarized as "fewer births, better births and growth." By encouraging the couple to have one child only, China will be able to control its population within 1.2 billion by the end of this century, she said.

BELJING TO HOST ASIA-PACIFIC TRADE FAIR

OW191941 Beijing XINHUA in English 1848 GMT 19 Jul 85

[Text] Bangkok, July 19 (XINHUA) -- Twenty-three countries and Hong Kong have decided to participate in the Asia-Pacific International Trade Fair (ASPAT '85) to be held in Beijing November 15-30 this year. This was announced by Sun Fang, vice-chairman of the China Council for the Promotion of International Trade, at a press conference here today.

Deputy Executive Secretary Koji Nakagawa of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) was a co-sponsor of the press conference.

Besides China, participants in the fair will include Australia, Canada, Finland, India, Japan, Mexico, Thailand, the U.S.A., the U.S.S.R. and Vietnam, Sun said. Indonesia, which has not yet resumed diplomatic relations with China, will also be welcomed to the Beijing fair, he added.

The fair is aimed at stimulating regional economic cooperation, boosting trade and industrial growth and encouraging technological and scientific advances of Asian and Pacific countries, it was learned at the press conference.

The previous three fairs were held in 1966, 1969 and 1972 in Bangkok, Tehran and New Delhi respectively. Sun Fang is here for the fourth session of the ASPAT '85 steering committee which ended yesterday.

PENG ZHEN SENDS MESSAGE TO LAW CONFERENCE

OW211104 Beijing XINHUA in English 1047 GMT 21 Jul 85

[Text] Beijing, July 21 (XINHUA) -- Peng Zhen, chairman of the Standing Committee of the National People's Congress of China, today sent a message to the 12th conference on the law of the world, expressing warm congratulations to the conference. The conference, organized by the World Peace Through Law Center, will open officially on July 22 in West Berlin.

The message says: "There are two major global issues in the present-day world: One is peace and the other development. In dealing with these two issues law plays an increasingly important role."

The message expresses the "hope that all the jurists from different countries participating in the conference will make full use of law and excellently perform their noble duties to the just cause of maintaining world peace and promoting social development so as to accomplish the sacred mission entrusted by the world's people."

"China is a peace-loving country," the message says, adding that "the Chinese people are engaged in the historic tasks of developing socialist democracy, perfecting the socialist legal system, stepping up socialist modernization and working for the cause of maintaining world peace and promoting human progress."

"Therefore, the one billion Chinese people, together with all other peace-loving people in the world, will do their part for the great cause of world peace through law," the message concludes.

FOREIGN MISSIONS ALLOWED TO HIRE CHINESE LAWYERS

OW190836 Beijing XINHUA in English 0813 GMT 19 Jul 85

[Text] Beijing, July 19 (XINHUA) -- Foreign diplomats in China have the right to invite Chinese lawyers to act on behalf of clients outside the country in civil cases, the Supreme People's Court has ruled.

The decision, carried in a court bulletin published this month, arises from the case of two Swiss people involved in an inheritance dispute in Shanghai.

They asked the Swiss Embassy to invite Chinese lawyers to act for them, and the Shanghai Higher People's Court asked the Supreme People's Court to rule on whether this was permissible.

The official decision was that foreign embassies did have the right to invite lawyers to act on behalf of their nationals abroad under the Vienna convention on diplomatic relations and the Vienna convention on consular relations, both of which China adheres to.

Therefore, the ruling added, the Swiss Embassy could authorize any of its officials, in the capacity of diplomatic representatives, to invite Chinese lawyers to act as attorneys for the Swiss nationals. That case is now proceeding.

XINJIANG TO HOLD ECONOMIC COOPERATION SEMINAR

OW190735 Beijing XINHUA in English 0714 GMT 19 Jul 85

[Text] Urumqi, July 19 (XINHUA) -- The Xinjiang Uygur Autonomous Region plans to hold its first seminar on economic and technical cooperation here from August 20 to September 5, a local official said today. Invitations have been sent to the United States, Japan, France and Italy, as well as Hong Kong and Macao.

The holding of the seminar is aimed at promoting the region's foreign trade, and economic and technical cooperation with its counterparts in other countries and regions, and providing an opportunity to let people from other parts of the world know more about Xinjiang, the official said.

At the seminar, the region will provide 85 cooperative projects and 12 import projects for discussion. These projects involve textiles, foodstuffs, chemicals, machine tools, building materials, nonferrous metals, agriculture, animal husbandry, tourism and public facilities.

Export and import business will also be discussed at the seminar. Up to now, Xinjiang has established economic and trade ties with 48 countries and regions.

Ismail Amat, chairman of the regional government, said Xinjiang had achieved remarkable results in the utilization of foreign investment, and the import of advanced technology and equipment in recent years.

Tianshan Woolen Textiles Ltd., a cooperative project between Xinjiang, Japan and Hong Kong, had recovered its investment in only three years plus a profit of 6 million yuan, he said.

The region's other cooperative projects with Switzerland, Japan and Federal Germany were progressing smoothly, he added.

LI XIANNIAN, DELEGATION BEGIN TOUR OF U.S.

Arrive at Niagara Falls

OW211903 Beijing XINHUA in English 1853 GMT 21 Jul 85

["Chinese President Arrives in U.S. for State Visit" -- XINHUA headline]

[Text] Niagara Falls, U.S.A., July 21 (XINHUA) -- Chinese President Li Xiannian this noon crossed the Rainbow Bridge in a motorcade and stepped onto the U.S. soil from the Canadian side of the world famous Niagara Falls to begin his 10-day state visit to the United States.

Li Xiannian is the first Chinese president to visit the United States since the two countries established diplomatic relations in 1979. He will travel to the U.S. capital Washington on Monday and is expected to meet President Ronald Reagan on Tuesday.

The Chinese president and his wife were seen off at the Canadian side of the bridge by Canadian Parliament member Geoff Scott and Vince Kerrio, minister of natural resources and energy of Ontario Province. They were greeted by Chief of Protocol of New York State Fredrica Goodman, who is also representative of Mario Cuomo, governor of the State of New York, and U.S. Ambassador to China Arthur Hummel. The Niagara Falls of the American part is situated in the State of New York.

President Li toured the Niagara Falls of the Canadian part this morning. He will stay here overnight to continue his tour of the American side of the Niagara Falls tomorrow. Shortly after his arrival here, President Li met with New York State Governor Mario Cuomo for 15 minutes.

Bush on Li Visit

HK220406 Beijing RENMIN RIBAO Overseas Edition in Chinese 21 Jul 85 p 6

[Special dispatch by Zhang Liang: "U.S. Vice President Bush Says That President Li's Visit to the United States Is a Symbol of Sino-U.S. Friendly Relations"]

[Text] July 18, Washington -- A few days before PRC President Li Xiannian starts his state visit to the United States, Vice President Bush gave a written interview to RENMIN RIBAO's Washington correspondent. He first expressed a heartfelt welcome for President Li Xiannian's first visit to the United States. He said: "This will be the first state visit by a head of state of the PRC to the United States. As I see it, this high-level visit by President Li also symbolizes the ever expanding friendly and mutually beneficial relationship between our two countries "

Bush said: "The talks President Li Xiannian will hold with us here will also make major contributions to the further development of our friendly relations. Because the United States and China share many common views on global and regional matters in Asia, we welcome opportunities to exchange views with senior Chinese leaders at a high level. As far as we know, President Reagan is expecting to continue the dialogue with President Li, which began in Beijing in April last year. President Reagan and I, as well as other senior officials of this administration, are also expecting to meet for the first time with your country's Vice Premier Li Peng and other younger leaders and to hold talks with them."

Bush also said that during President Li's visit, a wide scope of bilateral issues will be discussed and a number of agreements will be signed.

Discussing the prospects for the development of Sino-U.S. relations, Vice President Bush said: "Relations between us in general are good, and we hold that these relations are still rapidly developing in the interests of both countries. The exchange of visits by Premier Zhao and President Reagan in 1984 promoted the development. In our view, President Li's visit is a continuation of this good trend. Over the past year or two, political, economic, and military leaders of our two countries have made frequent and fruitful contacts at a high level. The dialogue has been carried out in a friendly, frank, and peaceful atmosphere, and has increased our mutual understanding. Through these official contacts, we have reached an important conclusion: Although the political systems and some social values of our two countries are different, we can still have identical viewpoints on many issues and can carry out mutually beneficial cooperation."

When talking about Sino-U.S. economic cooperation and cultural, educational, scientific, and technological interaction, Bush said that we have inexhaustible potential for our future cooperation in these fields.

Overseas Chinese Welcome Li

HK200542 Beijing ZHONGGUO XINWEN SHE in Chinese 0809 GMT 19 Jul 85

[Report filed from the United States by ZHONGGUO XINWEN SHE correspondents Qi Qing and Mai Zi: "Overseas Chinese and Chinese Celebrities in the United States Make Statements to Welcome Li Xiannian to the Country" -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 19 Jul (ZHONGGUO XINWEN SHE) -- President Li Xiannian of China is about to visit the United States. Before his arrival, many Chinese-Americans and Overseas Chinese celebrities have made statements to warmly welcome the Chinese head of state to the United States.

Mrs. Anna Chennault, vice chairperson of the White House exports committee, said: I have received two invitations. One requests my presence at the banquet to be hosted by President Reagan at the White House on 23 July to welcome President Li. The other requests me to be present at the return banquet to be hosted by President Li at the Chinese Embassy on 24 July. As a Chinese-American, I feel greatly honored.

She continued: I hope China will become prosperous and powerful and that the economies on both sides of Taiwan Strait will develop. The governments on the two shores of the strait should not be too antagonistic to each other. Nor should they criticize and provoke each other. They should never forget the hardships experienced by the Chinese nation over the past century or more. They should bear in mind that "their guns should be aimed at outsiders." For example, it is necessary to develop bilateral trade across the strait. Many Chinese students in the United States, whether they are from the mainland or from Taiwan, care for and learn from one another. This shows that the younger generation has no prejudice.

Dr. Huang Jinbo [7806 6930 3134], mayor of Charlotte, said: The Chinese head of state's first visit to the United States is an indicator of China's growing strength and of the friendship between the peoples of China and the United States. Many Chinese take pride in this. They are as happy as when Chinese athletes won gold medals at last year's Olympics. This is their sense of national pride.

Professor Tang De Gang [0781 1795 0474], director of the Department of Asian Studies, New York University, said: President Li Xiannian of China is the first Chinese head of state to visit the United States in more than 200 years. His visit can strengthen Sino-U.S. relations and is a comfort to Overseas Chinese. As a Chinese, I feel honored.

Mr. Lu Keng, publisher of CHINESE EXPRESS said: It is said that President Reagan is going to personally receive President Li Xiannian although he has been very sick. This shows that the U.S. Government attaches great importance to this visit. The spiritual consequences of President Li's visit will be much greater than practical ones.

Dr. Sun Mu Na [1327 1970 1226], a well known Chinese-American painter, said: It is said that President Li will not come to New York. I hope I can make a trip to Washington. I have prepared a bouquet and some paintings, which will be presented to President Li as a token of our regards.

Chairman Zheng Zonggao [6774 1813 7559] of the Association of Fellow Fujian Townsmen said: President Li's visit to the United States will improve China's international standing and the status of Overseas Chinese. President Li's visit to the United States will enable the friendship between the peoples of China and the United States to further development.

It is reported that representatives of 13 of New York's Chinese or Overseas Chinese organizations will go to Washington on 24 July in order to jointly welcome President Li to the United States. These 13 organizations include the Overseas Laundry Association, the Chongzheng Association, the Association of Fellow Fujian Townsmen in the East, the Chinese Association, the New York Branch of All-America Chinese Association, the U.S. Overseas Chinese Commercial Association, the Dong An Club, the Association for Chinese Progress, the Huizhou Industrial and Commercial Association, the Tai Lu Association, New York's Association for the Peaceful Reunification of China, the Association for Mutual-aid between Overseas Chinese From Cambodia, and the Association of Fellow Hainan Townsmen.

CYRUS VANCE PRAISES PRC MODERNIZATION, PROGRESS

OW200903 Beijing XINHUA in English 0841 GMT 20 Jul 85

["Former U.S. Secretary of State Vance Praises China (by Xia Zhaolong)" -- XINHUA headline]

[Text] New York, July 19 (XINHUA) -- Former U.S. Secretary of State Cyrus R. Vance said here today that China's commitment to modernization and to the policy of opening to the outside world "will have a profound effect beyond China itself."

"At the moment, the Chinese Government is creating a better investment climate for overseas businessmen and the responsibility system in the rural areas has been a resounding success," he told XINHUA in an exclusive interview in his 23rd-floor office in Manhattan, New York.

He said he had been to China six times over the last few years, deeply impressed by the seriousness with which the Chinese leaders came to grips with problems facing that country. He met Deng Xiaoping twice in Beijing. "Deng is an extraordinary man, one of the world's few great leaders today I have ever met," he recalled.

Vance, 68, was the secretary of state during the Carter administration. He took part in the negotiations which led to the normalization of relations between China and the United States in 1979.

He said that back in those days, he strongly believed that China was a great country that had an important role to play in the international affairs, and that better Sino-U.S. relations could produce increased regional stability and, in the long run, a more stable global order.

"Normalization of relations between China and the U.S. in 1979 marked a watershed in the history of the two great powers," he noted, adding what has happened over the last six years is encouraging. Political ties between the two countries have grown, so have the economic relations. The coming visit to the United States by Chinese President Li Xiannian would certainly further these existing friendly ties.

"In the days to come," he remarked, "China and the United States should work together on a wide range of areas -- economy, technology and culture -- for mutual benefit and prosperity and, in the interest of world peace."

Vance, known as a trouble-shooter in world affairs, now works at the Simpson, Thacher and Bartlett, one of the largest law firms in the country, based in New York. Its businesses include legal and technical consultancy and commercial financing.

As a private businessman and lawyer, he expressed his conviction that with China's advance in economic reform and infrastructure buildup, more and more overseas investors would go to China and start doing business there. He said his firm's ties with China traced back to the 1970s and now there are nine deals under way between his firm and its Chinese partners.

ASTRONAUT TAYLOR WANG CONCLUDES VISIT TO PRC

OW201450 Beijing XINHUA in English 1437 GMT 20 Jul 85

[Text] Shanghai, July 20 (XINHUA) -- U.S. scientist Taylor Wang, the first space traveler of Chinese origin, today left Shanghai for the United States after concluding a two-week tour of China.

Prior to his departure, he told reporters that during the trip he had seen a lot in China, and noticed that many things were moving in the right direction.

As a person of Chinese origin, he went on to say, he was most pleased to see Chinese compatriots anywhere on the globe.

Wang left together with his wife and two sons, and his colleague, Dr. Mark Lee.

They arrived in Shanghai, where Wang spent his childhood, on July 15 from a tour of Beijing, Xian and Guilin. In Shanghai he held discussions with local space scientists and met Mayor Wang Daohan July 16.

Wang paid his respects to the grave of his grandmother in Suzhou July 18, and the following day he went to the lake city of Hangzhou to join his wife and sons on a sightseeing tour of the city.

Wang met Xue Ju, governor of Zhejiang Province July 19.

JAPAN'S MUTSUO KIMURA MEETS DENG XIAOPING, OTHERS

Deng Briefs Kimura

OW211050 Beijing XINHUA in English 1030 GMT 21 Jul 85

["Deng Xiaoping Meets President of Japan's House of Councillors" -- XINHUA headline]

[Text] Beidaihe, July 21 (XINHUA) -- Chinese leader Deng Xiaoping said here today that the central task of the Chinese Communist Party conference to be held in September is to bring more young people into the Central Committee, Political Bureau and Secretariat.

He said: "We are now working on the third echelon of leaders. In future we will proceed to form the fourth and fifth echelons. All this is aimed at ensuring the continuity of China's present policies."

Deng, chairman of the Central Advisory Commission of the Chinese Communist Party, made these remarks at a meeting with Mutsuo Kimura, president of Japan's House of Councillors, and his party in this north China summer resort.

He told the visitors that China will not change its policies, including the policy of opening itself to the rest of the world. "The only change will be that of opening China to the outside world," he noted.

The open policy, he explained, is a new thing which is beneficial to the development of China's socialist productive forces and the realization of China's modernization program. It is impossible for China to carry out its modernization program without pursuing the open policy, he pointed out.

At Kimura's request, Deng gave a brief account of the changes that have taken place in China since 1978. He said that China is also undertaking economic reforming restructuring. Both the open policy and economic restructuring are new things and involve risks. They inevitably encounter obstacles. "We commit mistakes, big or small, in our work too," he added. "So we must sum up experience after taking one step forward, and correct mistakes once they are found."

Deng said: "We have scored much in the past five years in economic restructuring and opening to the outside world."

Responding to Kimura's question about Hong Kong, Deng said that people did suspect the feasibility of the "one country, two systems" formula for resolving the Hong Kong issue, but "I said it will work." The settlement of the matter set an example for peaceful solution to questions left over from history. This, Deng added, is also applicable to the Taiwan issue. "Our terms with respect to the Taiwan question are more generous. Taiwan can maintain armed forces," he stated.

"We will settle the Taiwan issue by peaceful means. But we can not commit ourselves to never using force. Because if we make such a commitment, our peaceful negotiations with Taiwan will never take place," he explained.

Kimura told Deng that notable changes have taken place in China due to the modernization effort. Japan will further its cooperation with China through both governmental and non-governmental channels.

President and Mrs Kimura and their party arrived here this morning from Beijing in the company of Peng Chong, vice-chairman of the Standing Committee of the Chinese National People's Congress.

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PRC INTERNATIONAL AFFAIRS
NORTHEAST ASIA

Deng on Taiwan, Hong Kong

HK210958 Beijing ZHONGGUO XINWEN SHE in Chinese 0904 GMT 21 Jul 85

[Report: "Deng Xiaoping Firmly Believes That the Taiwan Issue Can Be Settled by Means of 'One Country, Two Systems'" -- ZHONGGUO XINWEN SHE headline]

[Text] Beidaihe, 21 Jul (ZHONGGUO XINWEN SHE) -- Deng Xiaoping said here today that with our experience in settling the Hong Kong issue, we can totally solve the problem of Taiwan's return to the motherland. Deng Xiaoping said the above at a meeting with Mutsuo Kimura and others.

Although the Hong Kong issue has been settled, he said, people are still worried about whether or not the idea of "one country, two systems" is viable. We say it is. It is an example of how to peacefully settle international disputes.

We have always insisted on settling the Taiwan issue by peaceful means, Deng Xiaoping said, and we offer Taiwan more generous terms than those offered to Hong Kong. We are going to station troops in Hong Kong. However, we are not going to station troops in Taiwan.

In settling the Taiwan issue, he added, we cannot be obliged to abstain from the use of force because peaceful talks will be impossible without this condition. During my stay in the United States the U.S. Senate and the House of Representatives asked me whether or not I could explicitly state our abstention from the use of force. I said no, because if I did that, Chiang Ching-kuo's tail would soar 10,000 meters through the sky and peace talks would be impossible.

Commenting on Sino-Soviet relations, Deng Xiaoping said: Sino-Soviet relations have improved in the areas of border trade and culture. There is no suggestion that there is normalization in the political sphere.

Deng on Party Conference

HK211005 Beijing ZHONGGUO XINWEN SHE in Chinese 0902 GMT 21 Jul 85

[Text] Beijing, 21 Jul (ZHONGGUO XINWEN SHE) -- The CPC Central Committee Advisory Commission chairman said this morning when meeting Mutsuo Kimura, the speaker of the Japanese House of Councillors, that the central task of the CPC national Conference of Party delegates scheduled for September is to reduce the average age of the members of the CPC Central Committee, the Political Bureau, and the Secretariat. Of course, the meeting will also discuss the Seventh 5-Year Plan, but the main task is to solve the problem of reducing the average age of the cadres.

The meeting took place in Beidaihe, a well-known summer resort in north China. Deng Xiaoping today wore a gray Sun Yat-sen jacket. He was in excellent spirits. He gave a warm reception to his Japanese guests and answered their questions.

Deng Xiaoping said that it was decided to hold this national conference of party delegates at the time of the 12th party congress 3 years ago. At that time it was decided to hold one such conference in the 5 years between two party congresses. This was because the Central Committee elected by the 12th party congress was not ideal in regard to lowering the average age of the cadres; nor was it ideal in this respect regarding the leading organs of the CPC Central Committee -- the Political Bureau and the Secretariat.

He pointed out that at present some people are worried about changes in the continuity of Chinese policies, especially in the policy of opening up to the world. He said that if we are to speak of changes, the policy can only change to a still more open-door one. Have we not opened up even more in recent years?

Deng Xiaoping emphasized that there are no prospects for the four modernizations unless we open up to the world, so we will continually open up and provide a guarantee for this in personnel assignments. Our purpose in building the third, the fourth, and the fifth echelons is for the purpose of guaranteeing the continuity of our policies.

Deng Xiaoping also said that apart from the policy of opening up to the world, we are currently carrying out the reform of the economic structure. Opening up to the world and carrying out reform of the economic structure are both new things and there will be risks. It is also inevitable that obstacles will be encountered and that big or small mistakes will be made. Every step we take we will sum up experiences, and we will promptly correct mistakes when they are discovered.

He said that in 5 years' time, China will score success in practicing its policy of opening up to the world and carrying out reform of the economic structure.

Mutsuo Kimura expressed admiration for China's policy of opening up to the world and its reform of the economic structure. He said that our officials and peoples will work together to practice all-round cooperation with China.

Peng Zhen Receives Kimura

OW191608 Beijing XINHUA in English 1508 GMT 19 Jul 85

[Text] Beijing, July 19 (XINHUA) -- Mutsuo Kimura, president of Japan's House of Councillors, and his wife arrived here this afternoon on a week-long friendship visit.

As guest of Peng Zhen, chairman of the National People's Congress (NPC) Standing Committee, Kimura Mutsuo is visiting China at the head of a parliamentarian's delegation. They were greeted at the airport by Peng Chong, vice-chairman of the NPC Standing Committee.

Soon after his arrival, Mutsuo Kumura held talks with Peng Chong to review friendly exchanges between the NPC and the Japanese Diet (parliament). They agreed that both sides would hold more contacts to promote mutual understanding, friendship and cooperation.

Peng Chong briefed the visitors on China's policy of opening to the outside world and reforms in the economic and educational fields.

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PRC INTERNATIONAL AFFAIRS
NORTHEAST ASIA

NPC Hosts Banquet

OW191806 Beijing XINHUA in English 1756 GMT 19 Jul 85

[Text] Beijing, July 19 (XINHUA) -- The Standing Committee of the Chinese National People's Congress (NPC) gave a banquet here tonight in honor of Mutsuo Kimura, president of the Japanese House of Councillors, his wife and a delegation from the House he is leading.

Addressing the banquet, NPC Vice-Chairman Peng Chong noted that there has been a steady increase in contacts between the NPC and the Japanese Diet (parliament) over the past decade and more. The two assemblies have played an important role in consolidating and developing friendship and cooperation between China and Japan, he added.

"We are ready, in the spirit of friendship, cooperation, good faith, sincerity and mutual respect, to work together with Japanese personages with vision, both inside and outside the Diet, for expanding exchanges and cooperation between the parliaments and parliamentarians of our two countries," Peng Chong said.

In reply, Kimura pointed out that Japan-China relations have undergone market development since the normalization of relations more than ten years ago.

As a Japanese parliamentarian, he said, he would do his best to boost cooperation with China which is striving for modernization. He hoped Japan and China would join hands to work for peace in Asia and the whole world.

Present at the banquet were Japanese Ambassador to China Yosuke Nakae and a number of noted Chinese figures.

Zhao Ziyang, Kimura Meet

OW211448 Beijing XINHUA in English 1437 GMT 21 Jul 85

[Text] Beidaihe, July 21 (XINHUA) -- Chinese Premier Zhao Ziyang said here today that an important pillar of the Chinese Government's foreign policy was to strengthen China's long-term, stable friendly relations with Japan. Zhao Ziyang said this at a meeting with Mutsuo Kimura, president of Japan's House of Councillors, and his party at this seaside resort this afternoon.

He said the two countries enjoyed "very good" relations. An all-round and sustained development of Sino-Japanese relations not only conformed to the fundamental interests of the two peoples, but also benefited the maintenance of peace in Asia and the rest of the world.

On the reform of its economic management system, the premier said it was proceeding better than expected. Reform is the focus of the Seventh Five-Year Plan China will begin in 1986.

The implementation of the plan would lay a solid foundation for the country's all-round economic development, he added. The reform aimed at invigorating the enterprises to allow them to operate independently, responsible for their own profits and losses.

Mutsuo Kimura reviewed the growth of the relations between Japan and China since the normalization of their relations. "Japan will open up channels for many-sided cooperation with China, and I am convinced of this need" he added.

Zhao Ziyang thanked the Japanese Houses of Councillors and Representatives and their presidents for the positive contributions to the development of friendly relations and economic and technological cooperation between the two countries.

Present on the occasion was Peng Chong, vice-chairman of the National People's Congress Standing Committee. The Japanese visitors then left for Dalian City by special plane in the company of Fu Hao, member of the NPC Standing Committee.

Peng Zhen Hosts Banquet

OW211514 Beijing XINHUA in English 1501 GMT 21 Jul 85

[Text] Beidaihe, July 21 (XINHUA) -- Peng Zhen, chairman of the Standing Committee of the Chinese National People's Congress gave a formal banquet for Mutsuo Kimura, visiting president of the Japanese House of Councillors, Mrs. Kimura and members of the delegation he is leading, in this seaside resort at noon today.

In his speech, Peng Zhen called the present state of the Sino-Japanese relations the "best period" in a hundred years. "This is the crystallization of the experience and lessons drawn from the modern relations between the two countries and also the results of the long struggles by the Chinese and Japanese peoples," he added. As the two peoples are making efforts to carry Sino-Japanese friendship beyond this century with a forward-looking attitude, Peng Zhen hoped, their parliamentarians will display foresight and make new contributions to its long-term, stable development and to the safeguarding of peace in the Asian-Pacific region and other parts of the world.

Kimura said that after undergoing the Second World War, "the Japanese people, with an unshakable determination, are now exerting their efforts for the peace and prosperity of a new world." He also pointed out that "it is essential to bring about a lasting peace for Asia in order to realize this ideal."

He urged related countries not to resort to use of force, and to pursue peace in a spirit of mutual concessions and understanding. He hoped that Japan and China would always be friendly neighbors and deepen such relations despite their different political systems.

Before the banquet, Peng Zhen and Kimura had a long, free talk ranging from the former's impressions of his April visit to Japan to China's domestic policies. Peng Zhen also gave a brief account of China's policy of opening to the rest of the world and its economic reform. Present on both occasions were Vice-Chairman Peng Chong, Wang Renzhong and Liao Hansheng.

DENG LIQUN MEETS WITH JAPANESE SCHOLARS

OW191457 Beijing XINHUA in English 1446 GMT 19 Jul 85

[Text] Beijing, July 19 (XINHUA) -- Deng Liqun, member of the Secretariat of the Chinese Communist Party Central Committee, met with a group of scholars on international affairs from Japan. The visitors are led by Akira Naka, a leading research fellow of a Japanese research center on world regional issues. As guests of the International Association for the Understanding of China, the visitors arrived here July 17 after touring Shenzhen, Guangzhou and Shanghai.

XINHUA ON RESULTS OF SHULTZ ASIA-PACIFIC TOUR

OW211535 Beijing XINHUA in English 1442 GMT 21 Jul 85

["Roundup: Shultz Ends Asian and Pacific Tour With Mixed Results (by Yan Hongchang and Xue Yongxing)" -- XINHUA headline]

[Text] Beijing, July 21 (XINHUA) -- U.S. Secretary of State George Shultz returned to Washington Friday after a 13-day Asian and Pacific tour during which he managed somewhat to reinforce Washington's political and economic ties with its allies in the region but failed to resolve the Australian-New Zealand-United States (ANZUS) defense treaty crisis.

During the trip which took him to Thailand, Malaysia, Australia and Fiji, Shultz attended a dialogue conference in Kuala Lumpur between the ASEAN countries and their six dialogue partners -- the United States, Japan, Australia, New Zealand, Canada and the European Economic Community.

The conference followed the 18th annual foreign ministers' meeting of the Association of Southeast Asian Nations (ASEAN), which includes Malaysia, Thailand, Indonesia, the Philippines, Singapore and Brunei.

Both meetings were focused on the Kampuchean issue, particularly on a newly-proposed ASEAN plan to open "indirect" negotiations between the Kampuchean resistance groups and a Vietnamese delegation including elements of the Hanoi-backed Phnom Penh puppet regime.

Before leaving for the Kuala Lumpur meeting, Shultz made it clear that he was opposed to the "indirect" talks proposal. Nevertheless, he changed his position after consultations with the ASEAN countries. He said later that the U.S. "generally approved" of the ideal of "indirect" talks on Kampuchea. He declared that the United States would support any ASEAN proposals aimed at getting the Vietnamese troops out of Kampuchea and solving the six-year-old Kampuchean problem. However, he offered neither American leadership nor any new initiatives though some ASEAN countries have been urging Washington to take a lead on the Kampuchean issue.

While in Thailand, Shultz visited a Kampuchean refugee camp and met with some leaders of Kampuchea's national resistance movement on the Thai-Kampuchean border. He was the highest U.S. official to do so since the Vietnamese occupation of Kampuchea in 1979.

Later, he announced that Washington would provide an additional three-million U.S. dollar grant to help Thai border villagers who have been severely disrupted by this year's Vietnamese dry-season offensive in Kampuchea.

It so happened that before Shultz's departure for the Asian and Pacific tour, Hanoi announced that it would turn over to Washington the remains of 26 Americans killed in the Vietnam war and proposed high-level talks on the matter between the two countries. Shultz welcomed this new gesture by Hanoi but refused to link it to the Vietnamese occupation of Kampuchea and other issues. He told reporters in Kuala Lumpur that the normalization of U.S.-Vietnamese relations could hardly be realized as long as the Kampuchean war launched by Vietnam was still going on.

Economic relations were another major topic high on the agenda during Shultz's Asian and Pacific tour.

In recent years, the ASEAN countries and their six developed partners have embarked on economic and industrial cooperation which is beneficial to both sides. But cheaper ASEAN agricultural products, raw materials and semi-finished products for the expensive industrial goods from the developed partners have made trade favourable only for the more developed side. The policy of high import tariffs and protectionism as well as the unreasonable prevailing international monetary system have also upset the ASEAN countries.

At the Kuala Lumpur conference, Shultz put forward a U.S. Government five-point action program for economic improvement and called on the participants in the conference to respond to it. The U.S. program, among other things, called for a reduction in U.S. federal spending and the present fiscal deficit and a new round of world trade talks.

Through hard discussions, the United States, Japan, and EEC and other dialogue partners had promised to cut some tariffs, expand import items and buy more goods from ASEAN on the condition that ASEAN fulfills its commitments.

The third purpose of Shultz's trip was trying to patch up the crisis-ridden ANZUS defense pact. His talks in Canberra with Australian Prime Minister Bob Hawke, Foreign Affairs Minister Bill Hayden and Defense Minister Kim Beazley, replaced a meeting of ANZUS foreign ministers, which was originally scheduled to be held in Wellington, N.Z. The meeting was cancelled because of New Zealand's continuing refusal since last February to allow U.S. nuclear warships to visit its ports.

The Canberra talks were the first formal annual consultations involving partners in the ANZUS defense pact from which New Zealand has been excluded.

Meanwhile, New Zealand Prime Minister David Lange is under strong pressure at home to legislate against nuclear vessels visiting New Zealand ports. On the possibility of such legislation, Shultz issued a warning on July 16: "If New Zealand takes formal action to formalize its ban on nuclear ships, the U.S. would be forced to look at the future of the ANZUS treaty."

Despite the U.S. warning, New Zealand reaffirmed its determination to keep nuclear ships out of its ports but at the same time made it clear that it had no intention of pulling out of the ANZUS defense pact.

With the dispute over U.S. nuclear warships still unsolved, the future of the ANZUS treaty remains as unclear as it was before Shultz's tour.

PRC, PHILIPPINE TRADE MINISTERS HOLD TALKS

OW220848 Beijing XINHUA in English 0830 GMT 22 Jul 85

[Text] Beijing, July 22 (XINHUA) -- Chinese Minister of Foreign Economic Relations and Trade Zheng Tuobin and Philippines Minister of Industry and Trade Roberto V. Ongpin held talks here today.

The two sides briefed each other on their countries' domestic economic situations and exchanged views on bilateral trade. They also expressed hopes for increased bilateral economic cooperation and trade. Ongpin and his party, who arrived here July 20 at the invitation of Minister Zheng, will contact Chinese chemical industry, metals and minerals, and trust and investment corporations to discuss the possibilities of increasing Philippine exports to China. The Philippine visitors are scheduled to leave for home July 24.

JARDINE MATHESON SHOWS CONFIDENCE IN HONG KONG

OW211812 Beijing XINHUA Domestic Service in Chinese 1449 GMT 16 Jul 85

[Text] Hong Kong, 16 Jul (XINHUA) -- The British-run Hong Kong's Jardine Matheson Group is confident of Hong Kong's future and is actively promoting business operations in Hong Kong and with China's interior.

Not long ago, the group sold some of its office buildings and houses in the United States and transferred funds to Hong Kong. This April it bought the Victoria Barracks at Jin Zhong for 700 million Hong Kong dollars in cash to build a new office building there. It also runs a luxurious hotel with a U.S. firm.

In March this year the group and China International Trust and Investment Corp jointly founded the Zhongtai Investment and Development Company.

On the basis of existing business relations, subsidiary companies of the Jardine Matheson Group are actively promoting business with departments concerned in China's interior. Cathay Pacific Airline has opened a branch office in Shanghai. It plans soon to initiate talks with the Civil Aviation Administration of China over the Hong Kong-Beijing route. Hong Kong Aeronautic Engineering Co recently successfully refitted Yum-7 transport planes for the Xian airplane plant.

Yao Gang, chairman of the boards of Hong Kong's Jardine Matheson Group and Jardine Matheson Insurance Company, and director of the board of British Heng Bao Finance Co, said: Foreign businesses attach importance to and welcome China's open policy and China's efforts to keep Hong Kong an international city. As a British enterprise, the general policy of the Jardine Matheson Group is to increase business in Hong Kong, to reinforce business ties with China's interior, and to promote economic prosperity in Hong Kong.

QIAO SHI MEETS FRENCH COMMUNIST DELEGATION

OW201226 Beijing XINHUA in English 1215 GMT 20 Jul 85

[Text] Beijing, July 20 (XINHUA) -- Qiao Shi, alternate member of the Secretariat of the Central Committee of the Chinese Communist Party, met here today with Maxime Gremetz, member of the Political Bureau and member of the Secretariat of the Central Committee of the French Communist Party, and his entourage.

After the meeting, the French guests were honored at a dinner hosted by Qian Liren, head of the International Liaison Department of the CPC Central Committee.

MP'S IN LONDON CALL FOR MORE TRADE WITH PRC

OW190848 Beijing XINHUA in English 0802 GMT 19 Jul 85

[Text] London, July 18 (XINHUA) -- The British Government was criticised for giving inadequate support to British businesses trying to export to China by Members of Parliament (MPs) from both sides in the House of Commons tonight.

During a debate on trade with China, Labour MP Stanley Crowther said that there is little evidence that the government has taken the promotion of trade with China seriously.

Members of the Select Committee on Trade and Industry, who visited China recently, complained about the degree of help, and in particular the government's tardiness in making soft loans available.

Conservative MP Kenneth Warren, chairman of the committee, stressed the great potential for British business in China -- "the last untapped market in the world." He urged the government to act quickly to make soft loans available for China, and described China's five-year plan to begin in 1986 as an "enormous opportunity" for British exporters.

The government should fight hard against a ban by the coordinating committee on East-West trade (COCOM) on export of products of no military significance to China, the committee chairman told the Commons when opening the debate.

He said Britain was well down the list of OECD countries trading with China. Japan and the United States were supplying two-thirds of China's incoming goods and services.

Conservative MP Peter Emery said Britain was the only major country in the world which did not provide soft funding for the Chinese. He warned that the UK had a "honeymoon period" of 18 months to two years. "If we do not grasp it with both hands we shall be very foolish indeed," he said.

Minister for Trade Paul Channon said that soft loans for China were under consideration and stressed that exports to China had increased very rapidly in recent years. Defending the government's support for exporters, he said it had been decided to extend the aid and trade provision to China.

On Monday, the House of Commons Select Committee on Trade and Industry submitted a report, urging the government to provide more aid for exporters to win business in China and counter intense foreign competition.

HE KANG LEADS AGRICULTURE DELEGATION TO POLAND

OW211225 Beijing XINHUA Domestic Service in Chinese 0817 GMT 17 Jul 85

[By reporter Wen Youren]

[Text] Warsaw, 16 Jul (XINHUA) -- Roman Malinowski, deputy chairman of the Polish Council of Ministers and chairman of the Polish United Peasant Party, said in Warsaw on 16 July that the Polish Government will make efforts to develop agricultural cooperation between Poland and China. Malinowski made these remarks while receiving a Chinese Government agricultural delegation headed by He Kang, minister of agriculture, animal husbandry, and fisheries of China.

Malinowski said: Very great possibilities exist for agricultural trade and exchange of experience between Poland and China. Agricultural cooperation between Poland and China is beneficial to both countries.

He Kang said: During this visit the Chinese delegation members have seen with their own eyes Poland's achievements in agriculture and they are happy about this. He said: the prospects for Sino-Polish agricultural cooperation are quite bright. We wish to work out details of the plan for Sino-Polish agricultural cooperation through this visit.

The reception was permeated with a cordial and friendly atmosphere.

Stanislaw Zieba, minister of agriculture and food economy of Poland, and others were present at the reception. Wang Jinqing, Chinese ambassador to Poland, was also present at the reception.

On the morning of 16 July, Z. Gertych deputy marshal of Poland's Sejm, also met Minister He Kang.

The Chinese Government agriculture delegation arrived in Poland for an official visit on 13 July at the invitation of Zieba, minister of agriculture and food economy. Over the past several days, the delegation has held talks with the Polish Ministry of Agriculture and Food Economy, called at the Agricultural Science Department of the Polish Academy of Sciences, and visited some research institutes and plants.

Cooperation Protocol Signed

OW210240 Beijing XINHUA in English 0231 GMT 21 Jul 85

[Text] Warsaw, July 20 (XINHUA) -- China and Poland signed here today a protocol on extensive cooperation in agriculture and the farm produce processing industries between the two countries.

The protocol, the first of its kind, was signed by Chinese Agriculture Minister He Kang and his Polish counterpart Stanislaw Zieba.

The accord said that the two countries will cooperate in seed reproduction, fruit and flower production, animal husbandry, apiculture, food and fodder processing, and the refrigeration industry.

The two countries will also exchange agricultural machinery and farming genetic materials.

A Chinese agricultural delegation headed by He Kang arrived here on July 13. During his week-long visit, He Kang was received by Polish Vice Speaker Zbigniew Gertych, Vice Premiers Roman Malinowski and Mieczyslaw Rakowski.

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PRC INTERNATIONAL AFFAIRS
EASTERN EUROPE

The Chinese delegation held talks with the Polish Ministry of Agriculture and visited state-run and private farms, cooperatives, farm machinery and food processing plants and institutes of agricultural science.

PRC, POLAND SIGN BARTER SHIPMENT CONTRACT

OW210134 Beijing XINHUA in English 0122 GMT 21 Jul 85

[Text] Warsaw, July 20 (XINHUA) -- A contract providing for the shipment of 3,000 Polish trucks, autos and buses to China, worth over 62 million Swiss francs, was signed here today.

Under the contract, signed by Zhou Chuanru, general manager of the National Machinery Import and Export Corporation of China, and Andrzej Wladyka, general manager of the auto complex of Poland "Polmot", Poland will supply China with 1,500 Polonez automobiles, 200 Jelcz tourist coaches, 100 Autosan intercity buses, 600 Star trucks, 200 Jelcz truck-tractors, and 400 other trucks in return for Chinese tea and cotton.

According to the barter and payment agreement, signed by Chinese and Polish Governments last January, the volume of the two countries' trade will total 1.3 billion Swiss francs in 1985, an increase of 180 percent over 1984.

BEIJING RECEPTION MARKS POLAND'S NATIONAL DAY

OW200052 Beijing XINHUA in English 1448 GMT 19 Jul 85

[Text] Beijing, July 19 (XINHUA) -- A reception celebrating the 41st anniversary of the rebirth of Poland was held here this afternoon.

In his speech, Yang Chunmao, vice president of the China-Poland Friendship Association, said that bilateral co-operation between China and Poland had been consistently expanded and he was expecting the visit of a delegation from Poland-China Friendship Association.

Polish Ambassador Zbigniew Dembowski said at the reception that friendly relations between the two countries had grown satisfactorily in recent years.

Today's reception was sponsored by the Chinese People's Association for Friendship With Foreign Countries and the China-Poland Friendship Association.

LI XIANNIAN, PARTY CONCLUDE VISIT TO CANADA

Meet Ontario Officials

OW192120 Beijing XINHUA in English 2056 GMT 19 Jul 85

["Chinese President Calls for Closer Sino-Canadian Cooperation" -- XINHUA headline]

[Text] Toronto, July 19 (XINHUA) -- Visiting Chinese President Li Xiannian said here this morning that there are wide areas for cooperation between China and Canada as well as between China's provinces and Ontario Province.

He made these remarks at his meeting with the cabinet ministers of the Ontario Province at the Royal Hotel where he is staying.

He said that China is a developing country with one billion people and rich natural resources while Canada, with great natural resources, is the second largest country in the world by areas. "We have every reason to strengthen our friendly relations and enhance our cooperation in economy and other fields, since there is no conflict between our two countries," he stressed.

Ontario Premier David Peterson extended his warm welcome once again to President Li on behalf of the Ontario Provincial Government. He said it is a great honor for Ontario Province to have President Li, one of the Chinese leaders who have rich experience and made great contribution to the founding of New China, to visit the province.

The premier also said his province is enthusiastic in developing and consolidating its economic cooperation with China.

Briefing the president on the preparatory work for the establishment of friendly relations between Ontario Province and China's Jiangsu Province, he indicated that an agreement has been reached to set up a trade and technology center by Ontario Province in Nanjing and the province will strengthen its cooperation with China in the fields of energy, food-processing, nuclear power and electronic soft-ware.

President Li expressed his hope that the cabinet ministers would visit China often. Ontario being the largest province in Canada and playing an important role in the country's economy, it is appropriate for Ontario to establish friendly and cooperative relations with Jiangsu, he said. He hoped such cooperation will be getting closer in the future.

Explaining China's economic reform and the policy of opening to the outside, the president told the ministers that the open policy is not an expedient measure but an established policy and it will not change. If it changes, it could only change in the direction of opening wider and better, he added.

Later, President Li met a group of representatives from the economic and business circles of the province. Before his meeting with the cabinet ministers, President Li met Ontario Premier David Peterson personally. The Ontario premier presented a traditional tapestry to the president who in return presented him with a coffee set made of Chinese porcelain.

Li Peng Meets Businessmen

OW192142 Beijing XINHUA in English 2130 GMT 19 Jul 85

["China Ready To Establish Long-Term Cooperation With Canada, Says Vice-Premier" -- XINHUA headline]

[Text] Toronto, July 19 (XINHUA) -- Chinese Vice-Premier Li Peng, who is accompanying President Li Xiannian on his state visit to Canada, held a round-table meeting here today with dozens of personages of the business community in Ontario Province.

Speaking at the meeting, Li Peng said that the political relations between China and Canada are very good and so are the bilateral economic relations. A big headway has been made in the trade between the two countries in recent years, but a total of over 7 billion U.S. dollars trade deficit in favour of Canada in recent years stood in the way to further development of the bilateral trade, Li Peng pointed out.

The Chinese premier then quoted Chairman Deng Xiaoping in his recent interview with a British visitor as saying that in the economic cooperation between China and Western businessmen: "You can make money, but you should not make too much money."

In a written statement circulated at the meeting, Li Peng said: "China attaches great importance to Sino-Canadian relations. We are ready to build up and develop long-term and stable friendly relations and cooperation with Canada."

Elaborating on China's policies of economic reforms and opening to the outside world, Li said that such policies "have given an impetus to the sustained, steady and coordinated development of China's economy and brought about an unprecedentedly good economic situation."

He said: "Our total industrial and agricultural output value has increased at an annual rate of 8.2 percent for six consecutive years. It exceeded RMB 1,000 billion Yuan in 1984. The per capita net income of the peasants has more than doubled, while the per capita consumption level of the urban residents has increased by 60 percent, after adjustment for price fluctuations."

However, he said: "There are bound to be many difficulties and problems to be solved to carry out large-scale reconstruction in a populous country like China." "But we are confident that the road we take is the right one and the reform and the opening-up are suited to our national conditions, conducive to the growth of social productive forces and materially beneficial to the people. Policies of this kind are of great vitality and irreversible," he stressed.

At the meeting, presided over by the Minister of Industry, Trade and Technology of the Ontario Provincial Government Hugh O'Neill, Li explored with the Canadian industrialists the possibilities of their participation in building a large hydraulic power station at the Three Gorges of the Yangtze River, China's purchase of four thermo-power stations' equipment, and collaboration in the field of aircraft industry.

"The Canadian airplane I took yesterday is very good in quality. It flies very stable and we feel comfortable," he said. But, "the only shortcoming is that the price is too high," he said. The Chinese vice-premier's talk at the meeting won enthusiastic and prolonged applause.

Tour Called 'Fruitful'

OW200642 Beijing XINHUA in English 0630 GMT 20 Jul 85

[Text] Toronto, July 19 (XINHUA) -- Chinese President Li Xiannian today described his visit to Canada as "fruitful" and expressed his "sincere thanks and best wishes" to Governor General Jeanne Sauve, Prime Minister Brian Mulroney and the Canadian Government and people.

He made these remarks at a dinner in honor of him and his party given here tonight by Premier of Ontario Province David Peterson and his wife.

Among some 300 guests attending the dinner were federal Finance Minister Michael Wilson and a dozen of provincial cabinet ministers.

Speaking at the dinner, Premier Peterson said President Li's visit "has greatly contributed to the long-term cooperation between our peoples."

He also said: "Ontario is poised to begin a new phase of its relations with China. As one of my first acts upon becoming premier, I have invited the governor of Jiangsu Province to Ontario to sign a twinning agreement and a science, technology and trade agreement."

In his reply, the Chinese President said: "Ontario has played an important role in promoting Sino-Canadian friendly relations and cooperation."

He indicated: "I am very glad to learn that discussions on the establishment of friendly relations are now going on between Ontario and Jiangsu Province of China. With fairly developed industry and agriculture, Jiangsu Province has its own characteristics in economic development. The development of friendly ties between the two provinces is helpful to exchanges between the peoples in the two provinces in various fields, and conducive to their economic development and beneficial to the enhancement of the friendship between the Chinese and Canadian peoples."

PRC Official Briefs Press

OW210322 Beijing XINHUA in English 0304 GMT 21 Jul 85

["Senior Chinese Official on President Li's Visit to Canada (by Su Yuanchun and Zhao Zhongqiang)" -- XINHUA headline]

[Text] Toronto, July 20 (XINHUA) -- China and Canada have reached a broad identity of views on promoting friendly relations and cooperation in various fields, said a senior Chinese official accompanying President Li Xiannian on his state visit to Canada which concludes tomorrow.

Briefing a group of Chinese reporters covering Li's visit this afternoon, the official said that President Li's visit will wind up successfully. "To further strengthen Sino-Canadian relations and cooperation in various fields is an important content of the talks between President Li and the Canadian leaders," he noted, adding that "both sides have reached broad identity."

The Chinese and Canadian leaders agreed that exchanges of visits by high-ranking officials of the two countries are conducive to enhancing mutual understanding and to giving an impetus to the development of bilateral relations, he said. The two sides shared the view that the agreement reached not long ago by the foreign ministries of the two countries to hold political consultations regularly on international issues such as the United Nations and disarmament is quite helpful, he added.

The leaders of the two countries are satisfied with the signing of two agreements during President Li's visit: one on the renewal and extension of the Sino-Canadian trade agreement and the other on the establishment of a China-Canada agricultural joint commission. Noting that the two countries have made great headway in developing bilateral cooperation in agriculture and forestry, the Chinese and Canadian leaders held that there still exist many opportunities to expand such relations and agreed to discuss an agreement on botanic quarantine and sanitation. They also took note of the fact that progress has recently been made in the negotiations on the question of avoiding double taxation. They expressed support for an earlier signing and ratification of an agreement to this effect. They also hoped for an earlier official signing of a memorandum of understanding on Sino-Canadian scientific and technological exchanges, which has been already initiated.

The senior Chinese official said that during the talks, the Canadian side stressed its interest in developing close cooperation with China in thermo- and hydro-power stations, mining and exploration of oil and natural gas in China. The Chinese side expressed its desire to cooperate with Canada in these fields. Both sides also welcomed the possibilities of closer cooperation in the field of nuclear energy and agreed to open consultations at an appropriate time on the signing of an agreement on the peaceful use of nuclear energy. The two sides welcomed the progress in their cooperation in communications and transport and discussed concrete measures to promote cooperation in these aspects. Both sides also agreed upon and supported cooperation and exchange in communications and remote sensing technology.

The official said that the two sides took note of the potentials for investments in each other's country.

The Canadian side noticed the concern felt by the Chinese side about the considerable deficit in favor of Canada in bilateral trade, and it realized the importance of expanding China's export to Canada, the official said. Canada will make efforts to help China acquire a reasonable share in the Canadian market.

Both sides expressed satisfaction with the efforts of both countries to successfully solve the question of their citizens' family reunion, he said. The Canadian side expressed gratitude for the Chinese-Canadians for their contributions to the development of Canada.

The Chinese official said in conclusion that the leaders of the two countries held that the establishment of friendly relations between Chinese and Canadian provinces and cities plays an important role in promoting understanding, friendship and cooperation between the two peoples. They were also satisfied with the increased exchanges between China and Canada in culture, education and sports.

Li Issues Statement

OW211913 Beijing XINHUA in English 1904 GMT 21 Jul 85

[Text] Toronto, July 21 (XINHUA) -- Chinese President Li Xiannian said today that he was deeply impressed by the Canadian people's sentiments for the Chinese people. He said this in a written statement to the press before he left Canada for a state visit to the United States.

Describing his visit as "successful," Li said: "Although the visit was rather short, I was deeply impressed by the warm hospitality accorded to us by the governor-general, the Canadian Government and people from all walks of life, by Canada's picturesque rivers and mountains, by its developed economy and colorful culture, and especially by the friendly sentiments of the Canadian people for the Chinese people."

He went on to say: "I had cordial talks with Her Excellency Governor-General Sauve and Prime Minister Mulroney, which enhanced our mutual understanding and friendship. On international issues, our two countries hold many identical views. As regards our bilateral relations, we both are eager to further develop our friendly relations and cooperation in the political, economic, trade, scientific and technological and cultural fields. Both sides believe that it is possible to expand this cooperation. I am convinced that Sino-Canadian friendly cooperation will have a great future."

Before his departure from Canada today, President Li sent two separate messages of greetings to the Canadian Governor-General Mme. Jeanne Sauve and Prime Minister Brian Mulroney thanking them for their warm reception during his stay in Canada.

TRINIDAD, TOBAGO PRIME MINISTER ENDS VISIT

OW190947 Beijing XINHUA in English 0858 GMT 19 Jul 85

[Text] Guangzhou, July 19 (XINHUA) -- Trinidad and Tobago Prime Minister George Michael Chambers left by air from here today after a six-day official visit to China.

Premier Zhao Ziyang telephoned Minister of Textile Industry and chairman of the reception committee Wu Wenying from Beijing on Thursday asking her to convey his congratulations to Chambers of his successful visit to Xian, Guilin, Guangzhou and Shenzhen.

Zhao said the visit would play an important role in strengthening the mutual understanding between the peoples of China and Trinidad and Tobago and in boosting the bilateral friendship and co-operation.

He also asked Chambers to convey the Chinese people's greetings to the people of Trinidad and Tobago, and invited him to visit China again.

Chambers asked Wu Wenying to convey his thanks to Premier Zhao, and also thanked Chinese leaders and people for the warm reception they had given him.

He said: "Our visit has been a great success." He hoped Zhao would visit Trinidad and Tobago in the near future.

Prime Minister Chambers and his visiting party were seen off at the airport by Wu Wenying; Yang Deyuan, deputy governor of Guangdong Province; Shi Anhui, vice-mayor of Guangzhou; and Cui Mingtan, Chinese ambassador to Trinidad and Tobago.

URUGUAYAN OFFICIAL ON DEVELOPING TIES WITH PRC

OW201116 Beijing XINHUA in English 1033 GMT 20 Jul 85

[Text] Buenos Aires, July 19 (XINHUA) -- Uruguayan Minister for External Relations Enrique Iglesias said today that his country is willing develop relations with China in all fields, according to a report from Montevideo.

He was talking to Zhu Shanqing, council member of the Association for International Understanding of China, who is on a visit to Uruguay.

Recalling his visit to China while he was executive secretary of the Latin American Economic Commission, Iglesias said as an old friend, he cherished friendship with the Chinese people. Uruguay has no diplomatic relations with China.

RENMIN RIBAO STRESSES PRESSING ON WITH REFORMS

HK200822 Beijing RENMIN RIBAO Overseas Edition in Chinese 20 Jul 85 p 2

[Commentator's article: "Reform Is the Overriding Task"]

[Text] Leading comrades of the CPC Central Committee have recently pointed out on many occasions that economic restructuring is the overriding task in our country at present. This is extremely important to us in correctly understanding the situation, firming up our determination and confidence in reform, and doing our current work well.

Reform is China's second revolution. It is a cardinal task bearing on the fate and future of our country. Only by successfully carrying out economic restructuring coupled with the corresponding reform in science, technology, and education can we achieve the goal of quadrupling the total annual industrial and agricultural output value by the end of this century. This is a vast goal. Our second goal is to approach or catch up with the level of economically developed countries in the first half of the next century. All these tasks depend on the success of reform. The purpose of reform is to lay a good foundation for sustained development in the next 10 or even 50 years. Without reform, there can be no sustained future development. We must profoundly understand this overall picture of reform and consciously subordinate our own work to it.

The central authorities have recently stressed conducting education for party members and people in ideals and discipline. Some people feel that apparently the reform is to be "reined in" and brought to a halt. This is absolutely not so! We are stressing ideals and discipline for the purpose of upholding socialist orientation and the program of wholeheartedly serving the people, resolutely carrying out the party and state policies, and strictly observing state law and party discipline during the modernization drive and the reforms. Both party rectification and education in ideals and discipline are for the purpose of ensuring and promoting reform, so how could they be said to be "reining in" the reforms?

Nine months have now passed since the 3d Plenary Session of the 12th CPC Central Committee adopted the decision on reform of the economic structure. Practice has proven that the path of reform is correct. The few problems that appeared were very quickly brought under control and corrected. The current momentum of reform is very good. Plans for price reform have appeared this year, and have been implemented relatively smoothly; plans for reforming the wage structure are now being effected; and new strides have been taken in rural reform. The general situation is better than expected. Since the momentum is good, we must keep it up. Even if some turbulence is encountered, we must keep it up, otherwise there will be no prospects for economic development in the next decade. Reform involves a question of opportunity. If the opportunity is chosen well, we will get twice the result with half the effort; if it is chosen badly, we will get half the result with twice the effort. This has been proven by experience in foreign countries. China's current political and economic situation is very good; this is the "golden age" for reform, and we absolutely cannot miss this favorable opportunity.

Reform, opening to the outside world and invigorating the economy may unavoidably include some negative factors and some unhealthy things. However, advantages by far outweigh disadvantages. The biggest advantage is developing social productivity which will enable the country to become rich and strong, and the people to be better off, and will give fuller play to the superiority of socialism. People with a sound mind would never give up eating for fear of choking. We communists will not abandon the principle of reform, opening up, and invigorating the economy just because of certain negative effects. If we go back to the old road, the way ahead will certainly not be splendid.

There are bound to be negative factors, but there is no reason why these should cause surprise and, still less, alarm. We can combat and overcome negative factors if we keep sober minds and persevere in building socialist material and spiritual civilization at the same time, and in particular, by maintaining good party style.

Reform is the trend of the times and the desire of the people conforming to the tide of history, it will certainly be a success, barring major mistakes in guidance. Problems appeared in some places in the course of carrying out the rural reforms, but we solved them one at a time in accordance with actual conditions, and produced good results in 3 years. Urban reforms are even more complex, and there will be more problems than in the rural areas. But after all, we have accumulated some valuable experiences and have also adopted the cautious attitude of taking a look each step we advance, promptly summing up the experiences, and solving the problems; it is certain that good results will be produced in 3 to 5 years. We are full of confidence in the victory of reform and in the prospects for economic development.

ECONOMIC SITUATION TERMED 'GOOD IN GENERAL'

OW191134 Beijing XINHUA in English 1121 GMT 19 Jul 85

[Text] Beijing, July 19 (XINHUA) -- Improving economic performance and promoting the ongoing economic reform are the focus of China's current economic work. This was stated by Lu Dong, minister in charge of the State Economic Commission, at a meeting on economic work here today, attended by central and local officials in charge of economic affairs.

Lu Dong described the economic situation in the first half of this year as "good in general". He outlined the features of the good economic situation as follows: balanced development of the light and heavy industries; record growth rate of energy production; continuous brisk rural and urban markets; and simultaneous increases of industrial output value, profit and state revenue. Improvement of economic results, he said, would be the central task for the second half of the year in organizing production, so as to ensure a sustained, stable and coordinated development of the national economy.

Quality must be put before quantity in improving economic returns, he stressed, noting the tendency that some enterprises paid attention only to quantity and output value.

Beginning from the third quarter of this year, Lu Dong states, the government would check in a selective way 100 kinds of major capital and consumer goods, the result of which would be published in the press. Enterprises whose products were of poor quality would be ordered to stop production and improve their management. Products harmful to people's health would be destroyed on the spot, and leaders of the enterprises producing them would be held responsible for that. He said that the government was now stepping up economic legislation so as to guarantee product quality by means of law. At the same time, he added, enterprises should constantly improve their technology and equipment, formulate new technical norms and promote technological progress. To import advanced technology and equipment, active efforts should be made to increase export to earn more foreign exchange, Lu Dong noted. Priority would be given to the manufacture of major export products in terms of raw materials and fuel supply, allocation of funds and transport service, the minister said. Measures were being taken to avoid redundant import, which had caused waste and loss, the minister pointed out.

LIAOWANG REPORTS NAVAL MODERNIZATION EFFORTS

HK210708 Beijing XINHUA Hong Kong Service in Chinese 0407 GMT 21 Jul 85

[Report: "China Speeds Up Introduction of New Equipment for Navy" -- XINHUA headline]

[Text] Beijing, 21 Jul (XINHUA) -- The People's Navy, equipped with a new type of missile-carrying destroyers designed and made by China, has left its mark in the Bohai, Huanghai, and Donghai waters. This report, by a LIAOWANG correspondent after his recent visit to the Navy fleets, will be carried in the overseas edition of the latest issue of LIAOWANG tomorrow.

According to the report, China's Navy also possesses missile escort vessels equipped with a new type of strategic missile, missile vessels dubbed Sea Hawk, and shore-to-ship missile units and airmen equipped with a new type of missile. During the mid-1950's, the People's Navy had only 3 or 4 outdated torpedo vessels made by foreign countries.

The report says that the first missile-carrying destroyer made by China was launched in the early 1970's. So far this destroyer has traveled over 10,000 nautical miles and conducted more than 800 scientific research experiments. As it has made contributions to the shape and production of China's first generation of missile-carrying destroyers, it is now named the "pathbreaker" of the modernization of China's Navy. Following the first missile-carrying destroyer, more destroyers equipped with a new type of missiles were launched. Now the People's Navy has a contingent of missile-carrying destroyers.

A commander of the Chinese Navy told the reporter that the Chinese Navy, which previously possessed a single type of coastal defense guided missiles, now has all types of missiles, including shore-to-ship missiles, ship-to-ship missiles, surface-to-air missiles, air-to-air missiles, and silo-based strategic missiles. At present, in addition to speeding up the development of new types of silo-based strategic missiles, we are also updating our tactical missiles in the direction of supersonic, ultra-low altitude, and long-distance missiles with accurate homing devices. New technologies, such as the microelectronic multiple-homing device, are now being successively applied by various branches of the Navy.

The performance of the guided missiles produced by China, this officer said, is up to very high standard in many respects. One type of missile can cruise at a low altitude, and with the many types of warheads fitted to it, it has great penetrating and anti-jamming capabilities. As a guided missile used for coastal defense, it can contour high mountains, island, and important defense positions and deal a heavy blow to invading ships. Aircraft equipped with this type of missile can, in cooperation with surface ships and coastal defense units, deal a heavy blow to hostile surface ships at short and medium distances.

Of these missiles, one multipurpose antiship missile is dubbed China's "Exocet" missile by foreigners. It can be fitted to surface vessels, submarines, and aircraft. It can also be launched by mobile carriers on land as part of the firepower of the coastal defense. It can fly at a very low altitude above the sea and can be launched under complicated conditions. With its accurate homing device, it can automatically hit the target after launching. It is very mobile and very destructive.

It has also been revealed that the missile vessels are now being equipped with a new computer. It looks like a graduated glass disc. In computing attack factors, this computer is 80 percent quicker than tables, diagrams, and mental arithmetic. By pressing the buttons, the small digital screen can speedily and accurately display the data required for an attack.

LETTER VIEWS CONFIDENTIALITY IN REPORTING FRAUD

OW210009 Beijing XINHUA Domestic Service in Chinese 0050 GMT 18 Jul 85

["Letter" by XINHUA reporters Zhang Bingsen and Wu Jincai: "Why Did He Request Confidentiality?" -- XINHUA headline]

[Text] Chengdu, 18 Jul (XINHUA) -- One year ago, some leading cadres of the Luzhou City Tax Bureau, Sichuan Province, were disciplined by higher-level departments because they repeatedly violated the tax policy and the financial and economic discipline by using their official powers to embezzle public funds. The first person to write a letter to the Central Discipline Inspection Commission exposing the matter was a bold and just tax cadre. Since then, although the local party discipline inspection department has repeatedly wanted to publicly commend his advanced deed, the exposé requested that it be kept confidential because he was afraid for some reason.

Why did he request confidentiality?

To answer this question, we should tell the story from the beginning:

In 1983, like other people in his department, the tax cadre received over 10 payments under different labels. Where did the Tax Bureau get so much money? Obviously, the money was illegal. In November he sent a letter to the Central Discipline Inspection Commission using his real name, describing his department's repeated distribution of money and requesting that higher-level departments send investigators. Based on that request, the central, provincial, and city departments concerned organized a joint investigation group and discovered the following facts after a 6-month investigation: From 1980 to 1983, instructed by the director and deputy director, the Luzhou City Tax Bureau obtained over 170,000 yuan illegally; put over 390,000 yuan into a "small treasury" outside of its normal account; and embezzled and falsely distributed over 140,000 yuan. It also relaxed its tax collection and management work, incurring a loss of several million yuan in state financial revenues. The party and government departments concerned disciplined the principal responsible persons and made a decision on the return of the public funds that were embezzled and distributed among all the personnel in the bureau. The State Auditing Administration issued a national circular on this matter and the XINHUA NEWS AGENCY and RENMIN RIBAO also carried reports.

However, the story did not end there, which was precisely what the person who exposed the matter worried about. While brooding over the matter, some party members and cadres who were disciplined used the method of "submitting opinions" to the current bureau party organization to defend and explain their activities in violating discipline, demanding an "implementation of policy." As a result of their interference, the amount of public funds to be returned was reduced to about 90,000 yuan, of which only 20,000 yuan have been returned so far.

Currently, some people in the bureau are still carrying out a "lineup" of all bureau personnel, attempting to guess who exposed the matter and claiming that he will be "badly treated" when he is found. Some people who lost their positions, or who were supposed to return funds even directly scolded those who took part in the investigation.

Not long ago, some cadres who were disciplined anonymously submitted a joint "appeal," and duplicated it for submission to various departments. The "appeal" refuted in detail the investigation and decisions made by the departments concerned, trying to shift the responsibility for the matter to upper and lower levels.

More ridiculously, they described the newspaper reports as something that "affected the reputation of tax work." Their reason was that an individual household, learning about the mistakes from the newspapers, said something skeptical to the tax workers while refusing to pay the tax. Therefore, these people demanded that they not be "held responsible" for the mistakes, and suggested "reinvestigating" the matter.

Under such circumstances, the predicament of the person who exposed the matter is imaginable. Originally he kept all of the money secretly distributed to him, intending to return it at once. However, in order not to expose his identity, he had no choice but to return the funds "in installments" like the people who made mistakes.

This matter is very thought provoking. Why is it that such a strange phenomenon is now permitted to exist? Often reporters have discovered that letters from the masses exposing such acts always contain requests for "confidentiality." What does that imply?

EDITORIAL URGES IMPROVING PRODUCT QUALITY

HK190411 Beijing RENMIN RIBAO in Chinese 10 Jul 85 p 1

[Editorial: "Let the Whole of Society Show Concern for Product Quality"]

[Text] The problem concerning the recent decline in quality of some industrial products has been widely talked about and condemned. Some localities and enterprises have only paid attention to output and output value to the neglect of quality. The quality of some brand-name products is also dropping. A small number of enterprises are pursuing nothing but money. They have ignored business morality, done shoddy work and used inferior materials in production, manufactured goods in a rough and slipshod way, and replaced good and real products with bad and false products, seriously damaging the interests of the customers and consumers. In other trades, the same problem also exists. Some construction projects are inferior in quality and incomplete. In communications and transport, the phenomena such as uncivilized loading and unloading and savagely treating passengers have appeared again. In commerce and service trade, low quality is also a common problem. Thus, improving quality becomes an urgent task for our current economic work.

The problem concerning the quality of products is an important matter concerning the success or failure of our four modernizations drive. When quality is poor, the people's interests will be infringed upon. This is counter to the purpose of our socialist production. The poor quality of products will also affect our exports, damage the prestige of our country, and prevent us from taking a further step in opening up to the outside world. If quality is poor and economic returns are low, we will find it difficult to realize the great cause of the four modernizations. We must take resolute measures to stop the trend of decline in the quality of products and effectively strengthen quality control so as to strive for a quick improvement of the quality of industrial products and the quality of work in other trades. The quality of products is a problem in both microeconomics and macroeconomics. It concerns various links of social production and all aspects of social life and affects thousands upon thousands of households. In order to solve this problem, it is necessary to mobilize forces in all sectors of society and solve it in a comprehensive way through administrative, economic, and legal measures and public opinions. The whole society is required to show concern for this problem, attach importance to it, pay attention to it, and solve it.

In a macro sense, the most important task for improving the quality of products is to correct the guiding ideology in economic work. The root cause for the decline in quality is that some localities and departments have one-sidedly pursued output value and rapid growth. Although they have also stressed economic returns, they have attached attention mainly to increases in output value and profits. They have increased production tasks for the enterprises at all levels, keeping them constantly on the run. As a result, the trend of attaching importance to output value and profits to the neglect of quality has been encouraged. As everyone knows, by saying economic returns, we do not merely refer to output value and profit, but also to the production of more and better products to satisfy the people's needs through the least possible labor. Quality is the basis of economic returns. Without quality, we cannot talk about economic returns. Inferior quality is a great waste of social labor. It is necessary to make a thorough change in our guiding ideology so that it can be changed from one-sidedly pursuing rapid growth into raising economic returns. It is necessary to acquire a firm idea of putting quality first and seeking development on the basis of improving quality.

Secondly, it is necessary to strengthen macro control and make general social supply and demand basically balanced. Supply must be a bit higher than demand so that there can be a "buyers' market" and that there can be more internal power and external pressure for the enterprises to attach importance to quality. The decline in the quality of quite a few products since the end of last year has been a result of the swelling of investment and consumption. Since the general social demand is higher than supply, the supply of some means of production and means of subsistence has fallen short of demand and a "sellers' market" has taken shape. All products can be sold despite their quality. Thus, there are neither internal power nor external pressure for the enterprises to improve quality. Strengthening macro control means strengthening control of investment in fixed assets and consumption funds so that the general social supply and demand can be basically balanced. This is not only a necessary condition for the steady development of the national economy, but also a fundamental method for solving the problem of quality.

In a macro sense, the fundamental method for improving the quality of products is to correct the orientation of enterprise management. No doubt, enterprises should seek profits. However, the way to seek profits should be oriented toward socialism. They should never deviate from this orientation in order to seek profits. The fundamental purpose of the socialist enterprises is to produce products to satisfy the people's needs. In our country, as the people are still very poor, the good quality and durability of products will mean improvement of the people's standard of living. The reverse will mean the dropping of their standard of living. Making products in a rough and slipshod way to cheat consumers means committing a crime that is intolerable. It is necessary to carry out education in socialist management among the leaders and the broad masses of staff and workers in enterprises so that they can improve their ideological quality and regard netting profits by selling good-quality products as an honor and netting profits by reducing quality as a disgrace. Quality is the life of the enterprises. The more the supply falls short of demand, the more we should attach importance to the quality of products. If quality is not stressed, although temporary profits might be obtained, the enterprise will finally eat its own bitter fruit. We can say with certainty: In development of commodity production, those enterprises which do not attach importance to quality will surely fail in competition.

In order to improve and ensure the quality of products, it is necessary to adopt effective measures.

It is necessary to strengthen supervision and examination to ensure the quality of products. The departments in charge of quality control should be strengthened rather than weakened. Any attempt to weaken or even abolish such departments on the excuse of reform is not allowed. All measures adopted in the reform should be conducive to the improvement of the quality of products. It is necessary to continue to implement the system of production permits and quality control. The enterprises which produce low quality products should be consolidated or reorganized within a definite time and their production should be stopped. When the quality of some brand-name products is declining, they cannot be called brand-name products any more. The leading departments should often carry out quality examination. Whenever they find any problems, they should deal with them seriously rather than ignoring and tolerating them.

It is necessary to carry out pricing reform. The price of high quality products should be higher than low quality products so that the enterprises producing high quality products can reap more profits while those producing low quality products reap no profits or even suffer losses. It is also necessary to support the production of high quality products by offering preferential treatment in the supply of energy resources and raw materials and in extending credit. While practicing the economic responsibility system, we must not only pay attention to output to the neglect of quality. Instead, we must carry out the economic responsibility system centering on quality, awarding those who produce high quality products and punishing those who produce low quality products.

It is necessary to implement various laws and regulations on quality control and make further efforts to establish and perfect the laws and regulations on quality control and protecting the interests of the consumers. The supervision and examination departments in charge of quality control, standardization, commodity inspection, medicine inspection, ship inspection, industrial and commercial administration, and epidemic prevention must perform their duties justly and forcefully. They should make full use of socialist legal measures and apply sanctions against those departments, enterprises, and individual traders which have infringed upon the interests of customers and consumers.

Apart from the production of products, it is also necessary to strengthen quality control in all other links including packing, transport, and sale. If the quality of products has declined or the property of the state has been damaged due to improper quality control, the departments and people concerned, no matter who they are or what kind of "reasons" they have, should be dealt with seriously according to laws and regulations.

It is necessary to encourage public opinion and all people to supervise the quality of products. Newspaper, radio, television, and other units in the press circles must express the voice of the masses and expose and criticize the phenomenon of paying no attention to quality. It is necessary to give play to the role of the customers' committees and consumers' associations so as to effectively safeguard the interests of customers and consumers.

Let the whole of society show concern for the quality of products! Provided various production, transport, and sale departments attach importance to guaranteeing quality, all sectors in society closely coordinate with each other, and the broad masses of people conscientiously pay attention to this problem, the quality of products as well as the quality of work in other trades will surely be greatly improved.

Quality Termed Political Issue

OW201304 Beijing XINHUA Domestic Service in Chinese 1323 GMT 13 Jul 85

[By reporter Ge Daxing]

[Text] Beijing, 13 Jul (XINHUA) -- It was pointed out at the discussion meeting held by the State Economic Commission today on quality control that, in order to end the current tendency to lower the quality of industrial products, not only should we strengthen quality control in production but we should also attach importance to the role of the society in supervising product quality and strengthening the economic legal system.

Zhu Rongji, vice minister in charge of the State Economic Commission, transmitted recent instruction of a central leading comrade on placing product quality in the first place and reported on the current situation of quality of industrial products.

According to a report by the State Statistical Bureau, from January to May this year, the rate of stable rise in quality for the 75 main products in the whole country was only 77.3 percent, which was 10.7 percent lower than the rate for the same period last year. With the exception of Nei Monggol, Shandong, Guizhou, and Ningxia, the rate of stable rise of quality of major products in all places in the first quarter of this year was lower than that of the same period last year. The rate went down by more than 10 percent in Beijing, Shanxi, Liaoning, Shanghai, Jiangsu, Hubei, Sichuan, Yunnan, and Shaanxi. At present, the supply of many commodities cannot meet the demand, and a number of industrial enterprises have gone all out for higher output value and profit and have merged their quality examination department and their production department. Those enterprises have let workshops examine product quality or have signed contracts with the quality examination department. The more unqualified products detected, the fewer awards given to the examination department. In this way, the role of quality examination department is weakened. Moreover, some enterprises have colluded with illegal elements and have sold unusable or inferior quality products, causing damage to the state and to customers. So far such problems still have not been taken seriously by some localities and departments.

Zhu Rongji pointed out: If we do not quickly stop the tendency toward lowering the quality of industrial products, the situation will certainly hamper the successful implementation of the reform in the economic structure. This is not only an economic problem but also a serious political issue. Various localities and departments must attach great importance to this problem and go all out to thoroughly examine the quality of industrial products. We should take administrative, economic, and technical measures to effectively raise the quality of industrial products. Meanwhile, it is hoped that newspapers, radio, TV, and other media will consider the propaganda on quality first as a strategic task, promptly introduce advanced experience in quality control, boldly expose problems in quality control, faithfully reflect the voices of the broad masses of customers, and foster a social custom of having everyone show concern for and supervise product quality.

Zhu Rongji emphatically pointed out: At present, our country has formulated laws and regulations on strengthening quality control in food hygiene, pharmaceuticals, the standardization and safety of boiler pressure, and on the issuance of permits for industrial production. However, the implementation of those laws and regulations is still unsatisfactory. The frequent cases of violating laws and discipline on the issue of quality control are linked to the loose implementation of related laws and regulations. In the light of problems exposed in the examination of quality, various localities and departments should formulate necessary methods and procedures within the scope of their authority in order to ensure the implementation of related laws and regulations.

Representatives from judicial, public security, and news departments enthusiastically spoke at the meeting. They held that we must promptly and strictly handle those quality problems which seriously hurt the interests of the state and the customer or endanger people's safety, and we must punish related illegal elements in accordance with the law.

RENMIN RIBAO ON IMPORTANCE OF VEGETABLE SUPPLIES

HK191215 Beijing RENMIN RIBAO Overseas Edition in Chinese 18 Jul 85 p 2

[Commentator's article: "Leaders of Large and Medium-Sized Cities Should Show Concern for Vegetables Supplies"]

[Text] Vegetables are indispensable necessities for the people's in their daily lives. After vegetable prices are decontrolled, principal leaders of large and medium-sized cities should continue to show concern for vegetable supplies.

The purpose of our reform of the vegetable purchase and marketing system is to arouse the initiative of vegetable growers in their production, to make the business of vegetable handlers more dynamic, and to ensure that customers can enjoy a more adequate and varied supply of vegetables. In this reform, the previous practice of a state monopoly in vegetable marketing at fixed prices has been changed. If we can properly deal with the question of vegetable supplies, we will strengthen the people's confidence in our economic structural reforms. So, the reform of the vegetables supply system is not only an economic issue but also a political issue.

Changing the state monopoly system in the supply of vegetables will bring vegetable prices on the markets into line with the relationship between supply and demand and with the law of value, but price decontrol also requires more effective overall guidance. It is not right to think that the authorities will not need to take care of vegetable supplies after price decontrol.

After price decontrol, many things need to be handled in regard to the production and marketing of vegetables. At present, it is particularly necessary to arouse the enthusiasm of vegetable growers for production and to stabilize the vegetable growing areas in suburban areas. Now, the costs of vegetable production are getting higher each year, so we should adopt preferential policies to support the vegetable growers. In large cities' suburban areas, industry and sideline occupations are well developed. If vegetable growers find it unprofitable to grow vegetables, they may change to other trades and give up the work of growing vegetables, and the area of vegetable fields will substantially diminish. Therefore, we should adopt effective policies to ensure the supply of production materials for vegetable growers, extend production loans to them, and protect their legitimate interests so as to stabilize and increase vegetable output. Of course, aside from vegetable production bases in nearby suburban areas, large cities should also develop vegetable production bases in far suburban areas and should actively acquire vegetable supplies from other localities.

In the course of reforming the vegetable supply system, state-owned vegetable shops should play a leading role, this means that they should properly regulate the markets by keeping sufficient goods in stock so as to stabilize vegetable prices. State commercial institutions should actively find new sources of goods and ensure the supply of vegetables, should build up their storage capacity, should regulate supply in different seasons, and should provide information, services, and coordinating functions for vegetable growers so as to prevent drastic price fluctuations. That is what we mean by emphasizing the leading role of state commerce.

New Task Faces Vegetable Trade

OW201315 Beijing XINHUA Domestic Service in Chinese 0025 GMT 17 Jul 85

[XINHUA commentator's report: "The New Task and New Test Facing State-Run Vegetable Trade" -- XINHUA headline]

[Text] Beijing, 17 Jul (XINHUA) -- Following the reform of the vegetable purchase and marketing systems and the lifting of restrictions on vegetable prices, city gates have been opened, markets have become brisk, and vegetable supply in most places has gradually improved. Practice shows that the policy of opening and enlivening the economy is a correct policy for promoting the production and marketing of vegetables and other fresh commodities.

In reforming the vegetable purchase and marketing system, the leading role of state-owned vegetable companies should continue to be respected. In a city with a population of several million, it would be impossible to successfully organize vegetable supply without bringing into full play the role of well-informed, well-staffed state-owned vegetable companies having adequate facilities.

How do state-owned vegetable companies play their leading role under the new situation? First, they regulate the market and ensure a relatively balanced vegetable supply. During peak period, they should keep the off-season in mind and make necessary provisions to regulate the market. Second, they keep down vegetable prices and prevent rapid fluctuations in vegetable prices. They should ensure adequate vegetable supplies in the off-season. This is a new task facing state-owned vegetable marketing departments.

The new task is also a new test. It requires the state-owned vegetable marketing departments to change their ideas and style of operation; conduct in-depth investigation and research; strengthen market forecasting; improve information work and services; and organize the production and marketing of vegetables well. Vegetable wholesale units in large and medium-sized cities should operate wholesale markets well, expand channels of circulation, and enliven the market. Retail shops should introduce a multiform system of management responsibility to mobilize the staff members' and workers' initiative and manage vegetable supply work well. At the same time, governments at all levels should support state-owned vegetable departments with tax revenue, funds, facilities and other means to increase their capacity to participate in market regulation.

CIRCULAR URGES CRACKDOWN ON FAKE DRUGS, PRODUCTS

OW201929 Beijing XINHUA Domestic Service in Chinese 0200 GMT 14 Jul 85

[Excerpts] Beijing, 14 Jul (XINHUA) -- The Supreme People's Court, the Supreme People's Procuratorate, and the Ministries of Public Security and Justice on 12 July issued a joint circular calling on public security and procuratorial departments and people's courts at all levels to deal severe blows at such criminal activities as making and selling fake medicines, drugs, and poisonous foods, all of which seriously endanger the people's lives and health.

The jointly issued "Circular on Dealing Immediate and Severe Blows at Such Criminal Activities as Making and Selling Fake Medicines, Drugs, and Poisonous Foods Which Seriously Endanger the People's Lives and Health" points out that recently criminal activities of making and selling fake medicines, drugs, and poisonous foods occurred in quite a few places. These activities seriously endanger the people's lives and health. For instance, in some places, some people mixed industrial alcohol with water and sold it as white liquor, resulting in many deaths.

There were such cases as mixing DDVP with poor quality white liquor and passing it off as famous brand liquor; using chemical fertilizer as yeast to make cakes; and processing seriously diseased pigs and selling them as cooked pork. Several plans in Fujian's Jingjiang went so far as mass producing and selling fake medicines. These criminals were out of their minds to grab illegitimate income. The masses in all places have been immensely indignant at these criminal activities and have strongly demanded public security and procuratorial departments and people's courts to severely punish them according to law.

The joint circular urges public security organs, procuratorates, people's courts, and justice administration departments at all levels to take immediate action to deal severe blows at these criminal activities, making it a top-priority task in the current struggle against criminal activities. They must closely coordinate with each other to make thorough investigations of known cases and mete out punishment in good time according to law. In the near future, they must concentrate their efforts to crack the ugliest and most harmful cases, i.e., the major typical cases, with solid evidence, and to mete out severe punishment according to law. Wherever heavy penalty may be meted out, do it without leniency. Announcements of sentences for major typical cases should be made with much fanfare so as to enhance the legal system, deter crimes, and educate the masses.

SUPREME COURT CIRCULAR ON CADRES' LAW VIOLATION

OW220530 Beijing XINHUA Domestic Service in Chinese 1436 GMT 20 Jul 85

[Text] Beijing, 20 Jul (XINHUA) -- The Supreme People's Court recently issued a circular on the illegal acts of a few law enforcement personnel of Henan Province's Weishi County Court in arbitrarily tying up, beating, and detaining innocent teachers and other people. Calling on courts at all levels to make a thorough check on cadres' work style and their observance of the law and discipline in order to strengthen the law and discipline and uphold the sanctity of the law.

On 19 November last year, concerned personnel of Henan Province's Weishi County Court willfully tied up, beat, and detained teachers, as well as spectators, of the Shuanglinggang primary school for making suggestions while dealing with a case of raising children in Shuanglinggang Village, Dama Township. Afterwards, they also fined some of the spectators as well as the teachers who had made suggestions. This abominable act has aroused indignation among the masses. An investigation group formed by the Henan Provincial Higher People's Court and the Kaifeng City Intermediate People's Court has rectified the wrongdoing of the Weishi County Court in this after uncovering the truth through investigation made in Weishi County in March of this year. In its circular on the incident, to courts at all levels across the country, the Supreme People's Court said: By arbitrarily tying up, beating, and detaining innocent people, law enforcement personnel of the Weishi County Court violated their personal rights and impaired the prestige of people's courts, and therefore must be severely dealt with because of the adverse effect and seriousness of their acts.

The circular points out: Every cadre and judge of the court must have the qualities of being upright, never stooping to flattery, being impartial and incorruptible, seek truth from facts, handle cases according to the law, serve the people wholeheartedly, and uphold the sanctity of the law in both word and deed. It is absolutely intolerable to violate the law and discipline, practice favoritism and fraud, bend the law for the benefit of one's relatives or friends, or violate the law while enforcing it. Such acts, once proven through investigation, must be severely dealt with.

Courts at all levels are not permitted to shield faults or settle cases by leaving them unsettled, much less handle a case on the pretext that "this is not to be taken as a precedent."

The circular calls on courts at all levels to make a thorough check on court cadres' work style and their observance of the law and discipline according to actual conditions. This check can be made along with party rectification for those courts currently undergoing party rectification. The circular held: This is an important measure to purify the ranks of court cadres and raise the quality of public security judicial cadres.

DISCIPLINE COMMISSION WARNS AGAINST EXTRAVAGANCE

OW191121 Beijing XINHUA Domestic Service in Chinese 1457 GMT 18 Jul 85

[Text] Beijing, 18 Jul (XINHUA) -- The circular issued by the Central Discipline Inspection Commission on removing Liu Yuping from his post as deputy secretary of the party committee of the Shaanxi Provincial Bureau of Highways reads in full as follows:

In November last year, Liu Yuping, deputy secretary of the party committee of the Shaanxi Provincial Bureau of Highways, led a 32-member "delegation for checking enterprises consolidation before acceptance" to Ankang Prefecture to check the highways there. Whenever the delegation arrived in a county, it was personally greeted by the county head at the border. During the inspection tour, members of the delegation were invited to attend big banquets, engaged in extravagant eating and drinking, and squandered state funds at will. There were 24 tables of people eating at the luncheon and dinner parties sponsored by the department of highways in Ankang County. All types of delicacies were offered at the tables including hedgehog hydnum, flagelliform star jelly, trepang, and shark's fin as well as six famous red and white wines. All these delicacies were purchased from Xian by special order and cooked by experts. Many exotic fruits were offered to members of the delegation in their living quarters. When the delegation arrived, the various organs under the general department of highways greeted the delegation by setting off firecrackers for as long as 20 minutes. Figures showed that during the 10 days the delegation checked the highways in Ankang Prefecture, more than 19,000 yuan were spent to entertain the delegation. If expenses for those who accompanied the guests were also included, an average of over 33 yuan were spent on each person every day, but those who ate and drank only had to pay 50 fen each day for their food. Before the delegation left, each member of the delegation also received many gifts. The head of the delegation, Liu Yuping, received more gifts than others. The general department of highways only symbolically collected some money from each member of the delegation. There were so many gifts that the members of the delegation were unable to take it all back. The department of highways in Ankang had to dispatch a car to take the gifts to Xian. At the same time, in order to accommodate the delegation, the department of highways in Ankang bought furniture of intermediate and high grades, upgraded and repaired highways, and beautified the environment on a crash basis. It also took the opportunity to issue bonuses and materials to workers, thus wasting a large amount of state funds.

At a time when the CPC Central Committee and the State Council had repeatedly issued directives and circulars to combat the unhealthy trends of making use of public funds to entertain guests and give gifts, Liu Yuping, deputy secretary of the party committee of the Shaanxi Provincial Bureau of Highways, and his "delegation for checking enterprises consolidation before acceptance" "engaged in extravagant eating and drinking and readily accepted gifts," violating party discipline and committing serious mistakes.

What should be particularly pointed out is the fact that Ankang is a region suffering serious floods and the people there still lead a rough life. Under these conditions, Liu Yuping, as a leading party cadre at the department and bureau level, still took the lead in extravagantly eating and drinking. He exerted a bad influence on others. In order to strictly enforce party discipline, the Central Discipline Inspection Commission has approved the disciplinary action proposed by the Shaanxi Provincial CPC Committee to dismiss Liu Yuping from his post as deputy secretary of the party committee of the provincial bureau of highways. At the same time, the commission has decided: First, the members of the delegation must pay in full for what they ate and the gifts they received. Second, the party group of the provincial bureau of highways paid no attention to Lie Yuping's erroneous actions and failed to correct his mistakes. It was a dereliction of duty, and it should make self-criticism. Third, the party groups of the provincial Department of Communications and the Bureau of Highways must strictly deal with those units that carried out unhealthy practices in entertaining the delegation members, particularly the Department of Highways in Ankang. As for the bonuses and materials issued, they must be handled in accordance with the principle laid down by the Central Discipline Inspection Commission. A report must be submitted to the Central Discipline Inspection Commission on the results of the aforementioned three disciplinary measures.

The Central Discipline Inspection Commission has issued this circular because of the errors committed by Comrade Liu Yuping and the "delegation for checking enterprises consolidation before acceptance." The unhealthy trend of making all kinds of excuses to give dinner parties and gifts and engage in extravagant eating and drinking is once again prevailing in various localities and departments throughout the country. The party committees of various provinces, municipalities, and autonomous regions and the party committees and groups of various ministries and commissions at the central level must strictly ban the use of public funds to entertain guests and give gifts in accordance with the relevant regulations issued by the central authorities and the State Council. Offenders must be punished according to party discipline and state laws. Those who are involved in serious cases should be expelled from the party. While developing socialist material civilization, the party committees at all levels must attach great importance to promoting spiritual civilization. All party members and cadres must draw lessons from the errors committed by Lie Yuping; accelerate their pace in tempering party spirit; and always keep in mind the interests of the state and the people. They must wholeheartedly serve the people, remain honest in performing their official duties, observe party discipline and state laws, and work hard to develop the socialist modernization program.

Central Discipline Inspection Commission, 17 July 1985

DENG XIAOPING'S 1983 SEA SWIM PUBLICIZED

HK220837 Beijing ZHONGGUO XINWEN SHE in Chinese 1120 GMT 19 Jul 85

[From the "Mainland Press Digest": Article by Hu Sisheng: "Deng Xiaoping in the Huang Hai Waves" published in TIYU BAO [SPORTS GAZETTE] Issue No 7 of 1985]

[Text] [No dateline as received] Deng Xiaoping likes swimming, particularly in the boundless rolling seas where the broadmindedness and resolute and steadfast characteristics of a swimmer can be fully displayed.

In the summers of 1983 and 1984, Deng Xiaoping, who was nearly 80 years old already, still went full of zest to swim leisurely in the waves of the Bo Hai and the Huang Hai.

He often said to his friend: "The fact that I can swim, and that I like to swim in the sea in particular, shows that I am still quite healthy. That I play bridge shows that my brains still work." Swimming and playing bridge are two of Deng Xiaoping's major hobbies. Have the alternate relaxation and repeated tempering of these physical and mental activities exerted a positive and indirect influence on him in his initiation of and support for the causes of setting things to rights and of reform in China?!

Deng Xiaoping's trip to Bangchui Island in the summer of 1983 has left some valuable photographic records which reveal to all those people who respect him how this great man, who is the mainstay in midstream, spends his spare time.

In July of that year, Bangchui Island, which stretches from Dalian City to the coast of the Huang Hai, was charming and green with vegetation. The foaming waves off the island were full of power and grandeur. Deng Xiaoping came to the coast of the Huang Hai after visiting some places in northeast and north China. He was still full of zest despite the long journey.

During his 7-day stay on Bangchui Island, Deng Xiaoping went swimming each morning, except one when some greasy dirt was floating on the water. He regarded the wind and waves as his companions and would gaze far into the distance. He felt relaxed and happy. After getting up early in the morning, Deng Xiaoping would walk for a while. He wore his slippers and strolled along the shady avenues. He needed no one's hand to support him. On the contrary, he often leisurely led his granddaughter along. The fresh morning air from the woods, which had dispelled the foul, smelled fragrant. It was about 0900. Deng Xiaoping and his wife, together with their two daughters and grandchildren, got in a van, which drove them toward the beach.

Once in the water, Deng Xiaoping swam with ease out to sea, with his head above the water and using the sidestroke. The dark blue ocean, which was so vast and deep, was guarding and escorting Deng Xiaoping. Sometimes, the waves, blown by the wind, were dashed against him. Seeing this, the skillful swimmers who were with him tried to persuade him to go ashore, but Deng Xiaoping did not take their well-intentioned advice and continued to swim ahead, breaking the waves. The well-known lines "Let the wind blow and waves beat, Better far than idly strolling in a courtyard," from Mao Zedong's poem "Swimming -- To the Tune of Shui Tiao Keh Tou" outline the career and feelings of all predecessors, pioneers, and revolutionaries. The pioneering of an unprecedented cause and the blazing of a new path are bound to be accompanied by storms, waves, thunder, and lightning! Storms and waves in political life and natural life have tested and are testing each person.

He had been in the water for more than 90 minutes. The sea was caressing him and the waves were beating against his body. He, however, did not feel tired. People would hardly believe that he was approaching 80.

Deng Xiaoping eventually got out of the water and changed into his white shirt with short sleeves. He took a rest in a rattan chair in the sun. Sometimes he would play with his grandchildren and sometimes he would greet his son Deng Pufang, who was sitting in a wheelchair. He would also chat with his daughters for a while.

Deng Xiaoping does not speak much and he never likes long-windedness. In her description of her father, his daughter said: "My father is introverted and reticent. His revolutionary career in the past 50 years or so has helped him foster a style of not fearing to face danger and of not feeling proud in success. He, in particular, takes his personal fate philosophically."

While vacationing on Bangchui Island, Deng Xiaoping was always composed, steady, and quiet, and was always meditating. However, when he makes a decision or a policy decision after careful consideration, his voice shakes the earth. What he says is concise and comprehensive. He never changes the direction which he firmly believes to be correct.

Deng Xiaoping does not like formalism. While he was on Bangchui Island, members of all leading organs requested to see him and asked him to make speeches, but he politely declined, saying: "I have come to spend my vacation and so I should do only things related to vacations!"

However, he lives a simple life and is amiable and easy to approach. Before leaving Bangchui Island, he gladly agreed to have photos taken as souvenirs separately with the working personnel who were with him during his stay. A press photographer, who was having a photo taken with him, was unwilling to put down several cameras which were hanging from his shoulders. Deng Xiaoping said to him humorously: "Ah, is this a way to show your identity?"

Deng Xiaoping concluded his stay on Bangchui Island. He returned to Beijing to continue to consider China's major policies. After going away for his vacation and swimming in the sea, he has become physically and mentally stronger and has become even more energetic.

COMMENTATOR'S ARTICLE ON ENVIRONMENTAL PROTECTION

HK190603 Beijing RENMIN RIBAO in Chinese 13 Jul 85 p 3

[Commentator's article: "A Civilized Cause"]

[Text] The action to protect the natural environment, forests, and wild animals is a sign of the progress of human civilization. This year is "International Forest Year." People in many countries have taken action to change the situation in which forests are diminishing year after year and species after species of wildlife are becoming extinct so as to improve the ecological environment of mankind. In our country, the "International Forest Year" has also become a mass movement. This year is the first year for the implementation of our country's "forestry law." On 6 July, the State Council approved and promulgated the "regulations for the management of forests and natural protection zones for some special species of wildlife." Our government and our people have taken the work of running natural protection zones as an important task in the building of socialist spiritual and material civilization in our country and are determined to make greater contributions to mankind in this regard.

Our country began to establish natural protection zones as early as in 1956. However, because of the influence of the long-standing "leftist" ideas and also because of the lack of experience and necessary regulations and laws, the work of protecting the natural environment and resources underwent many twists and turns over many years. It is only since the 3d Plenary Session of the 11th CPC Central Committee that this work has moved onto the right path and developed rapidly. At present, there are 274 natural protection zones in the whole country (and 96 percent of them are managed by the forestry departments of governments at all levels). They cover a total area of more than 16 million hectares, which account for 1.69 percent of our country's territory. From the previous experience and the practice in recent years, people have more and more clearly realized that the protection of natural environment and resources must rely on legislation. With the "regulations for the management of natural protection zones," we will have a reliable legal means and foundation for our work concerning natural protection zones.

The implementation of the "regulations for the management of natural protection zones" is not a matter merely concerning the Forestry Department. The running of natural protection zones is a civilized cause that has a bearing on the living environment of all people, so all quarters in the country should attach importance to it. The natural protection zones spread in all parts of the country, all provinces, municipalities, and autonomous regions should also formulate their own rules for the implementation of the "forest law" and the "regulations for the management of natural protection zones" in light of their actual conditions, and should support the Forestry Department and the Judicial Department in firmly enforcing these laws. At present, many localities are running tourist industries, conducting construction projects, felling trees, gathering medicinal herbs, and hunting wild animals in the natural protection zones without the authorization of the Forestry Department. The authorities concerned must immediately take measures to stop these things, and should resolutely and strictly punish according to law those who have violated the laws seriously and who refuse to mend their ways. We should, on the one hand, strictly enforce the laws; on the other hand, we should strengthen propaganda and education in this regard. Only thus can we arouse all people to show concern for and to take part in the civilized cause of protecting the natural environment.

BANK OF CHINA INCREASES EXPORT, IMPORT LOANS

HK210240 Beijing ZHONGGUO XINWEN SHE in Chinese 1256 GMT 19 Jul 85

[Text] Beijing, 19 Jul (ZHONGGUO XINWEN SHE) -- At a meeting held today, a loan officer of the Bank of China disclosed that China's foreign exchange used for imports in 1985 will redouble that of last year. This refers to the implementation of contracts signed before 1984. However, the goods ordered this year will be duly controlled so as to implement the state's relevant financial policies.

The funds of the Bank of China this year, the officer continued, will be used mainly to support the purchase and production of export goods, cooperation in labor services, and so on. As for imports, loans will be granted to the projects that are technologically advanced and that can create more foreign exchange.

It is said that the Bank of China can generally get good returns on its foreign exchange loans. Every \$1 of loans granted can create an annual industrial output value of 7 yuan, profits of 2 yuan, and foreign exchange of over \$1. The Bank of China has granted loans and offered financial services to more than 10,000 enterprises and has received favorable comments from them.

Circular on Foreign Loans

HK190737 Beijing ZHONGGUO XINWEN SHE in Chinese 0305 GMT 18 Jul 85

[Text] Beijing, 18 Jul (ZHONGGUO XINWEN SHE) -- The People's Bank of China recently issued a circular to signal strengthened control over foreign loans so as to ensure that all foreign loans will be repaid on schedule. The circular says: From now on, all units and enterprises within the boundary of China which borrow from foreign or Hong Kong and Macao banks or enterprises are subject to the unified administration of the People's Bank of China.

In recent years, in the wake of the implementation of the policy of opening the door to the outside world and the reform of the economic structure, China has been making use of foreign funds in more and more diversified ways -- while foreign business firms are being encouraged to make direct investments, local units are being allowed to borrow funds in foreign currencies from abroad.

The current People's Bank of China circular says: All enterprises intending to borrow money from any bank outside China are required to submit applications to their respective provincial, autonomous regional, or municipal people's government or to the central departments in charge and are subject to the approval of the People's Bank of China.

The People's Bank of China circular also says: In case a credit guarantee is required for loans from foreign lenders, it should be provided by the Bank of China, the China International Trust and Investment Corporation, or financial institutions or enterprises authorized by the State Administration for Exchange Control. All borrowing enterprises signing agreements on loans with foreign creditors are required to report promptly to the State Administration for Exchange Control.

COMMENTS OF HU QIAOMU, OTHER LEADERS PUBLISHED

HK200512 Beijing CHINA DAILY in English 20 Jul p 4

[From the "What Are They Saying" column -- capitalized passages published in boldface]

[Text] HU QIAOMU, A MEMBER OF THE POLITICAL BUREAU OF THE CHINESE COMMUNIST PARTY CENTRAL COMMITTEE, ENCOURAGES ORGANIZED READING GROUPS AMONG PEOPLE IN ALL WALKS OF LIFE

Organized reading groups have been flourishing over the last few years with more members than ever before. Participants include not only people with a lower level of education, but the better-educated too, and people of all ages join in. This shows that our nation is entering a new period of development.

To build a socialist material civilization as well as a spiritual civilization in China, more education is needed. Although much remains to be done to enable everybody to spend their spare time studying, we should work towards this goal.

In its decision on education reform, the party Central Committee wants China's future labour force to receive special training before they are employed, and we should act according to this policy. But people should continue their studies after employment. Junior middle school education is becoming universal. But we need to bring high school education to everyone after that goal has been achieved.

For the time being, farmers are not obliged to receive special training before they begin work. But soon it will be necessary for rural people to receive special training and pass examinations before they can work as farmers. Otherwise, modernization in agriculture will not be possible. Leading cadres at all levels, and staff members in institutions and organizations at the central level should also take part in organized reading. People from all walks of life, regardless of sex, age and social status, all need further education to help the nation modernize.

FEI XIAOTONG, A SOCIOLOGIST AND VICE-CHAIRMAN OF THE CHINESE PEOPLE'S POLITICAL CONSULTATIVE CONFERENCE, SAYS THAT HANDICAPPED PEOPLE SHOULD BE HELPED TO MAKE CONTRIBUTION TO THE COMMUNITY

Handicapped people can be useful to the community. These are plenty of examples which show that physical handicap often drives people to become strong-willed and to make outstanding contributions. One of my friends Hua Luogeng, for instance, was crippled in childhood. But he became an outstanding mathematician. A teacher of mine, Pan Guangdan, lost a leg when he was young. But he continued his studies, and became a noted scholar.

Famous examples from the West include Beethoven whose deafness in his later years never stopped him from composing, and Franklin Roosevelt, the crippled American president. The reason why those people were able to make outstanding contributions to their nations and to the whole of mankind is that they were not deprived of their right to study and employment despite their physical handicaps. Handicapped people, when they are offered opportunities to study and to work, may turn out to be more successful than the able-bodied because of their strong will. Their success benefits not only themselves but the whole community.

It is a great waste of labour and intelligence if the handicapped suffer discrimination in study and employment. Of course, handicapped people need special treatment in education and job recruitment. Especially the blind, deaf or mute should be offered special training courses. They should be placed in work where they can use their abilities to the full. This is just as important as removing people's prejudices against the handicapped.

YU GUANGYUANG, NOTED ECONOMIST AND VICE-PRESIDENT OF THE CHINESE ACADEMY OF SOCIAL SCIENCES, SAYS THAT THE IDEALS OF COMMUNIST PARTY MEMBERS SHOULD BE SPECIFIC AND IMMEDIATE AS WELL AS LONGTERM.

The creation of a communist social system -- under which the principle of "from each according to his ability and to each according to his needs" is applied -- is the ideal of Communist Party members. But the goal of creating this kind of communist society is remote. If party members concentrate on this goal to the exclusion of immediate and middle-term goals, I think they will not have enough motivation. Our mass media and other forms of communication often talk in generalities about communism, but fail to make it clear that specific goals are also needed.

The 12th National Congress of the Chinese Communist Party has already put forward such objectives as quadrupling the gross industrial and agricultural output value by the end of this century. Localities need to draw up more specific and more immediate objectives too. Two years ago, I suggested provincial publishing houses publish books on specific and immediate goals for the particular province. I think that all localities, from county down to village, should study the possibility of drawing up this kind of strategic plan. Communist Party members there should strive to achieve such specific and immediate goals.

DEN LIQUN, OTHERS COMMEMORATE MASTER PAINTER

OW191833 Beijing XINHUA in English 1912 GMT 19 Jul 85

[Text] Beijing, July 19 (XINHUA) -- More than 500 art workers and officials met here today to mark the 90th anniversary of the birth of Chinese master painter and art educationist Xu Beihong.

Present were Deng Liqun, member of the Secretariat of the Communist Party of China, and Yan Jici and Yang Jingren, vice-chairmen of the Chinese People's Political Consultative Conference.

Speaking at the meeting, Zhu Muzhi, minister of culture, said Xu was an innovator in traditional Chinese painting as well as a founder of realistic Chinese fine art education and modern painting. He laid the foundation for Chinese oil painting, he pointed out.

Xu was born in Yixing, Jiangsu Province, and died in 1953 at the age of 58. At the time of his demise he held the posts of president of the Central Academy of Fine Arts and chairman of the Chinese Artists Association.

The meeting was sponsored by units including the Ministry of Culture and the association. Peng Zhen, chairman of the Standing Committee of the National People's Congress, wrote a letter to Xu's widow, Liao Jingwen, on the occasion.

DENG LIQUN ON IMPROVING LIBRARY OPERATIONS

OW201324 Beijing XINHUA Domestic Service in Chinese 1258 GMT 19 Jul 85

[By reporter Yi Hongzhu]

[Text] Beijing, 19 Jul (XINHUA) -- This afternoon Deng Liqun, member of the Secretariat of the CPC Central Committee, met with the same 200 representatives attending the national library workshop, and had talks with them on improving library operations.

Deng Liqun said: Library work is an important part of cultural work, and libraries must operate as treasure houses with spiritual foodstuffs people need. Libraries should not only think of buying and keeping books, but they should also consider supplying, researching, cataloging, and analyzing books. Libraries should do a good job in giving guidance to readers so that people can obtain knowledge useful for society and so that libraries can play their proper role in economic construction and in building a civilization with socialist spirit. He urged librarians to study library work thoroughly so that library books can play a more significant role.

Minister of Culture Zhu Muzhi and others were present at the meeting. The workshop, which opened yesterday, is cosponsored by the Propaganda Department of the CPC Central Committee and the Ministry of Culture.

LI MENGHUA CALLS FOR PROMOTING SPORTS ACTIVITIES

OW210046 Beijing XINHUA Domestic Service in Chinese 0910 GMT 15 Jul 85

[Text] Beijing, 15 Jul (XINHUA) -- In an article published by TIYU BAO today, Li Menghua, minister in charge of the State Physical Culture and Sports Commission, explains the importance of socializing physical culture and suggests that the entire society should vigorously promote physical culture.

In the article entitled "Vigorously Advance the Socialization of Physical Culture," Li Menghua points out that in the course of extensive practice people have come to understand an important rule. There is an increasing need for physical culture in the development of modern society, and similarly, there is an increasing need for socialization in the development of physical culture. This has also been the inevitable demand and trend in the development of China's physical culture and sports to the present stage.

The article says: An upsurge in socializing physical culture is taking shape in both urban and rural areas throughout the country. Physical culture is gradually penetrating all spheres of society, spreading from schools, factories, mines, and enterprises to rural areas and entering the cell of society -- the family. The number of people participating in physical culture is increasing because not only youngsters but also the old, the weak, women, children, and the disabled are active in physical culture. While the state is responsible for promoting physical culture, various trades and professions, collectives, and individuals in society are taking part in promoting physical culture. As a result, the physical culture standard in our society is steadily rising.

The article cites six reasons why the socialization of physical culture is important.

1. Physical culture plays a very important role in improving the physique of a nation and is an important factor affecting the prosperity, decline, and development of a nation, state, and society.
2. Physical culture and sports have several functions in satisfying the existence, development, and enjoyment of the human race and are the "golden means" that can promote the overall development of man and his mental health and are conducive to establishing a civilized and healthy mode of life.
3. Physical culture is a varied, colorful, and vital form of social culture. With the development of science and technology, the rise in the standard of material and cultural life, and the shortening of working hours, the value and status of physical culture in society will become even more important and the contents and forms of physical culture will surely increase.
4. Following the deeper implementation of China's policy of opening up to the outside world, China's influence in the world is steadily expanding, and an increasing number of organizations and departments have used physical culture as a means of enhancing the sense of collective honor of the masses, strengthening their competitive capability, and increasing their associations with foreign countries. This will strengthen national unity among the people of China.
5. The standard of physical culture and sports of a country is based on the standard of physical culture in its society. Only by substantially heightening the standard of physical culture in society can we realize the strategic goal of building China into a country powerful in physical culture.
6. Socialization of physical culture is an important part of the current effort to reform the physical culture structure in China. Since the building of New China, under the leadership of the party and government we have made historic breakthroughs in improving the physique of the people and in catching up with the level of the advanced world. This embodies the superiority of the socialist system. But we should be aware of the fact that the development of physical culture in our country has been slowed down somewhat in the past because we failed to mobilize the entire society to promote it.

The article concludes: Physical culture commissions at all levels should vigorously publicize the socializing of physical culture. They should organize work properly and make all trades and professions regard the development of physical culture as their inherent duty and their important task concerning the revival of the Chinese nation, the life of the masses, and the healthy growth of the younger generation.

WANG YUZHAO AT ANHUI RURAL PRODUCTION FORUM

OW211426 Hefei Anhui Provincial Service in Mandarin 1100 GMT 16 Jul 85

[Excerpts] From 7-12 July, the provincial government held a forum on readjusting the rural production structure of old revolutionary areas and some poor mountainous areas in western Anhui. The forum studied ways to exploit the strong points of mountainous areas, open up and enliven the local economies, and help them achieve prosperity at an early date.

During the forum, Governor Wang Yuzhao delivered a report entitled "Open Up and Enliven To Make the Old Revolutionary Areas Prosper as Quickly as Possible." Deputy Governors Meng Fulin and Yang Jike also spoke or delivered reports on a specific topic.

The forum pointed out that the Dabie Shan old revolutionary area was a famous soviet area in our country. People in the area made important contributions to and sacrifices for the revolutionary cause during the war. Since the 3d Plenary Session of the 11th CPC Central Committee, the Dabie Shan area, like other rural areas in the province, has witnessed a historic change. The area has made rapid progress in agriculture, forestry, fishery, livestock production, industry, and sideline undertakings since 1982. However, mountainous areas in western Anhui have yet to catch up with other rural areas in the province in economic development, their rural production structure is still quite irrational, and the livelihood of some people there is still relatively difficult. The forum called on these areas to readjust the production structure in the direction of developing a production structure that stresses farming, livestock herding, and processing industries. The specific measures are as follows:

1. Persist in planting trees and developing forests to make barren hills green.
2. Develop diversified undertakings and vigorously promote livestock herding.
3. Vigorously develop village and town enterprises run by peasant households individually or jointly.
4. Persist in opening up to other areas and develop economic relations among regions and enterprises.

FUJIAN DISPOSES OF UNDERGROUND PARTY QUESTION

OW220545 Fuzhou FUJIAN RIBAO in Chinese 24 Jun 85 p 1

[Excerpts] The task undertaken by our province to dispose of the underground party question left over by history was basically fulfilled by the end of May. The effort has succeeded in restoring the underground party's revolutionary image, drawing clear distinctions concerning the cardinal issue of right and wrong, strengthening party unity, and promoting economic development.

The question of the underground party left over by history in our province was a relatively complex issue. It had affected our province's unity for a long time and has been a factor adversely affecting the work in our province. Since 1981, in accordance with the instructions of the CPC Central Committee and the instruction by Comrade Hu Yaobang that "the question of the underground party must be solved with fair-mindedness beginning with Fujian Province." The Fujian Provincial CPC Committee has done a great deal of investigation and study concerning the problem.

Since last year, the provincial party committee has regarded the task as an important part of the work of party rectification, further unified its understanding, summed up experiences, laid down a policy, and taken effective measures in carrying out the work of disposing of the question of the underground party left over by history throughout the province.

The policy formulated by the provincial party committee stressed "resolve, thoroughness, speed, and efficiency." It was seriously implemented. By the end of May, over 99 percent of the criminal cases and cases of party or administrative actions involving underground party personnel had been reexamined. Following the reexamination, a number of underground party organizations were recognized, and requests for restoring party memberships were studied case by case in a serious and impartial manner. As a result, party membership was restored to over 26 percent of the requesters.

Recently, a leading group of the provincial CPC Committee in charge of tackling the underground party question checked the work of various prefectures, cities, and departments under the provincial organs. It maintained that the underground party question of our province was well disposed of in accordance with the requirements of the provincial CPC Committee, and announced that the work was basically fulfilled. A few problems that have not been resolved may be dealt with as routine work by the organizational, personnel, administrative, and legal departments.

The problem has been solved to the satisfaction of comrades of the former underground party. Cases involving frame-ups or false charges against some comrades of the underground party were redressed. The comrades are also very happy that jobs have been arranged for them. They said, let bygones be bygones, we are busy now, and we must make a concerted effort on behalf of the four modernizations. After their cases had been redressed, many comrades gave no thought to their past grievances and did not even bother to find out the names of those to blame for their injustice. They have the cardinal principle in mind, take the overall situation into account and stress unity, thereby winning the acclaim of the masses.

Editorial Hails Success

OW220925 Fuzhou FUJIAN RIBAO in Chinese 24 Jun 85 p 1

[Editorial: "Unite and Look Forward"]

[Excerpts] Our province's task of tackling the underground party question left over by history has been basically completed. It is an important task to create order from confusion. Thanks to the profound concern of the CPC Central Committee from beginning to end, and because of the compliance with the established policy of the CPC Central Committee and the provincial CPC Committee, the task was successfully fulfilled in relatively good time and with outstanding results. Its fulfillment has played a vital role in restoring the underground party's revolutionary image, in educating the masses to look to the future while not forgetting the past, and in uniting them to work for the four modernizations.

In talking about the victorious present and the brilliant future, every revolutionary must never forget the past of bloodshed and sacrifices. Fujian was an important old revolutionary base of the nation. Fujian's underground party was founded very early. It was of large size. Its revolutionary struggles were numerous and protracted. In the dark days of the past, comrades joined the underground party because they were highly motivated. To overthrow the imperialist, feudalism, and bureaucratic capitalist rule, they launched extremely arduous struggles, forged flesh-and-blood ties with the masses, and made important sacrifices and tremendous contributions to the revolutionary cause.

Fujian's underground party proved itself to be a worthy part of the great Chinese Communist Party, and the revolutionary armed units led by Fujian's underground party proved themselves to be a heroic fighting force loyal to the party's cause.

However, after China's liberation, because of lack of understanding of the environment and nature of underground struggle and because of long "left" ideological influences and mistakes, the underground party's image was tarnished and many underground party comrades were subjected to denunciations and attacks.

Of course, not forgetting history means inheriting and carrying forward the glorious revolutionary traditions and inspiring others to unite and continue the struggle to create a beautiful present and a magnificent future. The task of tackling the underground party question left over by history was carried out precisely in this spirit.

A considerable number of Fujian's then underground party members were educated youths from universities, colleges, and middle schools. They received training and were experienced in international trade, business management, finance and banking, engineering, politics and law, culture and art. It is necessary to give full play to their key role in the four modernizations. Many of them have relatives overseas or in Hong Kong, Macao, and Taiwan. Some of them are returned Overseas Chinese themselves and have maintained contacts with the outside world. They used to play a positive role in our province's political, economic, cultural, scientific, and technological contacts with the outside world. In disposing of the underground party question left over by history, it is also necessary to implement the policies toward intellectuals and Overseas Chinese. Following the fulfillment of the task, our province's contacts with foreign countries are bound to increase, our reform is bound to make further progress, and our efforts to open to the outside world are bound to prosper. All this is beneficial to the motherland's great cause of reunification.

JIANGSU IMPLEMENTING PLAN FOR MORE MARKET TOWNS

OW211432 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 17 Jul 85

[Text] In order to meet the requirements in developing the rural economy, Jiangsu has entered the new stage of building more new market towns. Previously the province's market towns were scattered, with each one doing things in its own way. In order to change this situation, our province has unified its plan on the development of market towns since 1982. As of the end of 1984, the province has worked out 50 percent of its plan to develop market towns. A plan to develop 47 market towns has already been completed. During the first half of this year, another plan to develop seven more market towns has been completed.

In the course of implementing the plans, various localities regarded the economic and social development plans of various counties and townships as the foundation, correctly handled the relationship between production and consumption and between immediate and long-term interests, and made proper arrangements to promote production, culture, and education and develop various service trades. For example, Wuxi County proceeded from the transformation of old market towns to build new market towns. A total of 37 business buildings and 38 hospitals were completed in the 35 market towns in the whole county. Permanent farm products trade markets have been set up in 16 market towns. Large centers to collect night soil and garbage disposal areas have been built in five market towns, thus greatly changing the outlook of these towns.

In order to develop more market towns, the majority of counties and cities throughout the province have set up village and town construction and development companies. Market town construction and development companies have also been set up in 400 towns and townships in the province. Various towns and townships in Yancheng County have set up all types of development and construction companies. They not only carry out construction work and supply construction material, but also repair houses for peasants.

SHANDONG ISSUES EMERGENCY CIRCULAR ON SUMMER GRAIN

SK210510 Jinan Shandong Provincial Service in Mandarin 2300 GMT 20 Jul 85

[Text] On 20 July the provincial Grain Bureau issued an emergency circular, calling for greater efforts to achieve success in the procurement of summer grain in order to actually satisfy the peasants' demands in selling their surplus grain.

The circular states: In accordance with the instructions of the leading comrade of the State Council on procuring as much wheat as possible and in line with the guidelines of the circular issued by the provincial people's government, the quantity of wheat to be purchased under contract can be increased through negotiations on the condition that wheat producers ask to sell their surplus portion after they have fulfilled the originally fixed quota covered by contracts. Sales of above-quota wheat can be included in the contracted purchase quota for corn.

As for those who refuse to include their sales of above-quota wheat in the contracted purchase quota for corn and those who still ask to sell more wheat after they have fulfilled their annual contracted plans, their amount of grain to be purchased under contracts can be increased. The added purchase amount can be approved by the county authority if the amount does not surpass the fixed annual purchase quota for the county. On the condition that the added amount of purchase surpasses the fixed annual purchase quota for the county, it should be reported to the prefectural and county authorities for approval. If it surpasses the fixed annual purchase quota for the prefecture or city, it should be reported to the provincial Grain Bureau for approval. Only the surplus grain produced by peasants themselves can be sold under the increased quota of contracts. It is strictly forbidden to buy grain from markets at lower prices and then resell it at a profit.

To provide a convenience for peasants in delivering and accounting for their grain, the grain should be accounted for in the contracted amount if the grain delivered by peasants represents 5 percent more or less than the contracted quota.

The circular also calls on grain departments to actively purchase grain at negotiated prices and give full play to their role of being the major grain purchasing channel in order to satisfy the masses' demands to sell their surplus grain.

TESTING COMPLETED ON NEW GUANGDONG GENERATING SET

HK190615 Beijing ZHONGGUO XINWEN SHE in Chinese 0259 GMT 18 Jul 85

[Text] Guangzhou, 18 Jul (ZHONGGUO XINWEN SHE) -- The No 9 generating set of the fourth phase of the expansion project of the Shaoguan power station is operating well after a 3-day test run with a basic load starting on 11 July. It will soon be handed over to the production unit and put into operation.

This generating set with a capacity of 200,000 kilowatts, the biggest in Guangdong, will be able, after it is put into operation, to generate 4.8 million kilowatts-hour of electricity every day for Guangdong, making up 16 percent of the province's total generation, which can create 17.28 million yuan output value of industrial production every-day.

The generating set, which started construction in June 1982, is one of the 37 key construction projects in Guangdong with an investment of 17.28 million yuan of foreign capital and funds raised in the province. Furnaces, gas-turbines, generators, and other major pieces of equipment are all designed and manufactured by China. The liner wall of workshops and all heat-resistant piping are made of thin alloy aluminum plates, which glitter in the sunlight.

GUANGXI SETS GROSS INDUSTRIAL OUTPUT RECORD

HK200810 Nanning Guangxi Regional Service in Mandarin 1130 GMT 18 Jul 85

[Excerpt] Since the beginning of this year, the region's industrial enterprises have been implementing reforms, thereby strengthening their vitality and flexibility. Consequently, they have made gratifying achievements in production.

By the end of June, the region's gross industrial output increased by 22.48 percent compared with the same period last year, reaching an all-time high for this period. This has put an end to the situation in which the production level of the region during the first six months is comparatively low. This has also laid a firm base for developing the production in a balanced way throughout the year.

A salient feature of the region's industrial production in the first six months this year is that both speed and economic results have achieved a simultaneous growth. Since the beginning of this year, the region has changed the related growth of speed and economic results to that of simultaneous growth. By the end of May, the growth rate of economic results exceeded that of output value. From January to May, the region's output value of industrial enterprises covered by the budget increased by 17.9 percent. Their sales revenue increased by 22.8 percent; profits by 41 percent; and tax delivery by 46.8 percent. By mid-June, the region's financial revenue had increased by 31.3 percent compared with the same period last year. This is a particularly good situation for recent years.

Another salient feature of the region's industrial production in the first six months of this year is its rapid and balanced development. Since the region started its production preparation work earlier, the region maintained the good development trend of last year's fourth quarter. From January to June, its monthly growth rate has been ranging from 21 to 22 percent. Since the beginning of this year, the region's textile industry has put an end to the difficult situation of fluctuating without making any progress. A gratifying development of increasing day after day took place in light industry.

Starting from the fourth quarter of last year, the region's consumer market has been very brisk, thereby greatly promoting the production of light and textile industries. Light industry developed from last year's mediocre situation to one of improving month by month. From January to June, the accumulative output of the region's light industry has increased by 19.63 percent compared with the same period last year. In this year's first half, the output of the textile industry increased by 26.95 percent compared with the same period last year.

HENAN FORUM HELD ON THIRD ECHELON, INTELLECTUALS

HK200555 Zhengzhou Henan Provincial Service in Mandarin 1230 GMT 19 Jul 85

[Excerpt] A provincial forum on building the third echelon and implementing the policies on intellectuals, convened by the Henan Provincial CPC Committee, concluded in Zhengzhou today. The meeting conveyed the spirit of the forum held by the Organization Department of the CPC Central Committee on building the third echelon, and of the national forum on implementing policies on intellectuals, summed up the province's achievements and experiences in this work, and seriously studied and probed future work plans.

On the building of the third echelon, the meeting held: In recent years the party committees and the organization and personnel departments at all levels in the province have done a lot of arduous and meticulous work in selection, promotion, and examination. The province and the prefectures and counties now have reserve forces of cadres that are relatively good in terms of numbers, specialities covered, and quality. They have played and are now playing an active role in the four transformations of the leadership groups at all levels.

The meeting held: We must further enhance our understanding. We must realize that doing a good job in building the third echelon and boldly employing and cultivating a new generation is an extremely important strategic task for the party and state. The party committees and organization departments at all levels must continue to get a thoroughly good grasp of this work.

The meeting pointed out: The central authorities have specifically proposed that the tasks of implementing the policies on intellectuals be concluded before the 13th CPC Congress. Now we must utter less empty talk, do more practical work, and do thoroughly well in tackling every case.

Provincial CPC Committee Secretary Yang Xizong spoke at the meeting. Provincial CPC Committee Deputy Secretary Zhao Di delivered a summation. Comrade Yang Xizong said: Building the third echelon and implementing the policies on intellectuals are issues involving people. Such issues are important matters. Selecting, promoting, employing, and training talented people for the four modernizations is an extremely honorable task. Cultivating the third echelon is for the purpose of handing on the party's cause from one generation to the next and ensuring that the leadership of the party and its departments at all levels is truly in the hands of Marxists.

HUBEI GOVERNOR'S MEETING DISCUSSES ECONOMIC WORK

HK200343 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 19 Jul 85

[Excerpts] The provincial government held a governor's executive meeting on 16 July to hear a report given by a responsible comrade of the provincial Economics Commission on the situation in economic work in Hubei in the first half of the year and on views on work arrangements for the second half of the year.

Governor Huang Zhizhen presided. Present were Vice Governors Tian Ying, Guo Zhenqian, and Wang Libin.

The meeting held: As a result of implementing in depth the CPC Central Committee decision on reform of the economic structure, the province's industrial performance in the first half of the year was very good. In summary, there were four conspicuous features: 1) Light and heavy industry developed in a coordinated way, with the former outpacing the latter. 2) Products sold well and met market needs. There was synchronous growth in production and sales. 3) There was a notable improvement in economic results. 4) The province fulfilled 51.7 percent of the revenue plan for the year.

Analyzing the problems in industrial production in the first half of the year, the meeting pointed out: In the present circumstances in which the requirements of society have increased and the supply of goods cannot meet demand, we must attach a high degree of importance to the neglect of technological progress and the marked decline in product quality in some places and enterprises in the province. We must take effective steps to solve these problems.

The meeting stressed: The focal point of economic work in Hubei in the second half of the year is to uphold reform, regard improving product quality as a keypoint in industrial production, continually improve economic results, and ensure that the national economy in the province maintains a good pace of healthy development. The government, economic departments, and the leading comrades of enterprises must undertake the following tasks:

1. Study the series of CPC Central Committee, State Council, and provincial CPC Committee and government documents on reform of the economic structure, and stick firmly to the correct orientation and principles for reform.

At present it is particularly necessary to guard against and overcome unhealthy trends of racing, reporting fake output value figures, engaging in rough and slipshod manufacture, and resorting to fraud.

2. Launch a drive to ensure priority for quality and to carry out innovations.
3. Seriously carry out a major inspection of quality.
4. Strengthen quality inspection and supervisory work.

HUNAN DROUGHT CAUSING SHORTAGE OF ELECTRIC POWER

HK200257 Changsha Hunan Provincial Service in Mandarin 2300 GMT 19 Jul 85

[Text] At present there is little rain in Hunan, and serious drought persists. There is not enough water for generating hydroelectricity. To ensure the safety of the power grids and sufficient power for fighting drought, the provincial electric power departments have called on their staff and workers to work well, to ensure full output of the generator sets, and do everything possible to ease the contradiction between power supply and consumption. At the same time, consumers throughout the province should cooperate in using power in a planned and economic way, and work together to overcome difficulties, so as to get through the difficult period in July, August, and September.

GUIZHOU PLANS EXPANSION OF COAL OUTPUT

HK200722 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 18 Jul 85

[Text] Guizhou has established a complete industrial system for exploiting coal resources. By 1990, it is expected that the province's output of coal will total 28 million tons.

In terms of coal deposits, the province is ranked fourth in China, with 90 percent of the deposits located in the western part of the province. In addition, the province's coal deposits are characterized by great variety and good quality, and the seam is near the surface and convenient for mining.

After more than 30 years of effort, the province has built 26 pairs of shafts, with each having an annual output of over 30,000 tons. The province's production capacity totals 14.65 million tons. Coal mining bases in Liupangshui have installed modern equipment, and have an annual production capacity totaling about 10 million tons.

For the past 30-odd years, the province has produced a total of more than 220 million tons of raw coal, over 180 million tons of washed fine coal. Since last year, in addition to meeting the province's demands the province has transported coal mainly to Guangdong, Guangxi, Sichuan, Yunnan, Jiangsu, Hubei, and other provinces and regions. Furthermore, it has begun exporting some commercial coal overseas.

At present, the number of coal miners in the province is more than 110,000, including 1,330 [words indistinct] technician-cadres. The province has established a coal industry and has a rather complete system of production means, including geological prospecting for coal fields, scientific and research organizations, building and mining of coal mines, coal selection, manufacturing of coal mining machinery, and a training service for mining and production technology.

In order to speed up the development of Guizhou's coal resources, upon the approval of the State Council, the province has formed the China Southwest Energy Development Corporation, a joint venture among the Ministry of Coal Industry, the Ministry of Railways, the Ministry of Communications, the Bank of China, the Construction Bank of China, the Hong Kong branch of the Bank of China, as well as such provinces and region as Guangdong, Guangxi, Guizhou and Yunnan. In addition, the corporation has worked out plans for developing the province's coal resources.

According to the plans, the province has built first a large mine with an annual production capacity of 1.2 million tons of raw coal in Liupangshui mining area. Therefore, the coal production capacity of coal mining bases in Liupangshui has been increased by 1.8 million tons compared with that of 1982. The province is also prospecting the large (Jizhi) and (Nayou) coal fields. Thus, by 1990, it is expected that the province's output of coal will be increased to about 28 million tons.

TORRENTIAL RAINS KILL 275 IN GUIZHOU, SICHUAN

HK200444 Beijing CHINA DAILY in English 20 Jul 85 p 1

[By staff reporter Liu Dizhong]

[Text] Torrential rains early this month claimed 275 lives when landslides and floods swept across China's southwestern Guizhou and Sichuan Provinces.

Local governments and the Army are rushing relief -- food, clothing and building materials -- to aid the 1.5 million people most seriously affected by the disasters. About 30,000 homes were destroyed or heavily damaged and 167,000 hectares of farmland were flooded in the two remote provinces.

The extent of the disasters was revealed by Yao Shaoyu, deputy head of the Relief Bureau of the Civic Affairs Ministry, in an interview with CHINA DAILY.

The severe weather wreaked the greatest havoc in Guizhou Province's Qianxianan Qiongdongnan Autonomous Prefectures [as published] and Liupanshui City.

Dams broke at two reservoirs in Qianxinan, with a total water reserve capacity of 52,000 cubic metres, during heavy rains on July 2. The raging waters killed 47 people and washed away several villages.

Floods in Qiongdongnan, caused by torrential rains over the six days beginning June 28, hit 11 counties in the prefecture. Many bridges, irrigation works and communication lines were damaged. More than 110,000 people in the areas were affected by the floods that were the worst in several decades.

Landslides and flooding claimed 64 residents of Liupanshui City, about 250 kilometres west of the provincial capital of Guiyang. The heavy rains created a giant hole stretching 1.5 kilometres that swallowed up more than 100 homes in Shuicheng district of the city. The disaster cut off all the city's communications and highway links to the outside. A nearby coal mine, the largest in the province, also suffered heavy damage.

Meanwhile, 60,000 people in the 14 counties and cities in the upper reaches of the Yangtze River, including Xichang, Huili, Huidong, Dachang and Muli in the Liangshan Prefecture of Sichuan Province, were stranded by flooding in early July. About 6,000 homes were destroyed and 40,000 hectares of farmland damaged. These floods claimed 23, but tens of thousands of people were safely rescued by dedicated local government and Army teams, Yao said.

The Ministry of Civil Affairs has earmarked 14 million yuan for disaster relief in Guizhou Province, in addition to 10 million yuan given by the local government. In Sichuan, the provincial government has allocated 500,000 yuan for the flood-hit counties.

According to weather forecasters, Yao said, there will be more heavy rain in Guizhou Province later this month. Anti-flooding efforts are underway.

Floods also hit northern Hebei Province and the Shanghai area early this month. The ministry is closely following the flooding situation throughout the country, which has had more rain than usual this year, Yao said.

SICHUAN GOVERNOR URGES IMPROVED EXPORT WORK

HK200715 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 20 Jul 85

[Excerpts] The provincial government held a telephone conference on export work yesterday evening. Governor Jiang Minkuan demanded that the province take effective steps to get a good grasp of foreign trade and export work and strive to fulfill the year's quota for exports and foreign exchange income.

Governor Jiang Minkuan pointed out: In the first half of the year the province did not do well enough in fulfilling its plans for foreign exchange for exports and for procurement of commodities for export.

In order to do a good job in exporting and boosting foreign exchange income, he demanded, first, that all parts of the province, the economic departments concerned, and the foreign trade companies regard fulfilling this year's export plan as a major task. They must do everything possible for make up for the shortfall in the first half of the year.

Second, it is necessary to strictly control the sources of supply and organize prompt procurement of major and expensive export items. Transport departments such as the railroads and waterways must have certificates issued by the provincial department of foreign economic relations and trade in order to transport such items out of the province.

Third, the provincial authorities will retain only 30 percent of the province's foreign exchange income from exports this year. The other 70 percent will be distributed to various areas and units, mainly to enterprises and units involved in export business.

Fourth, bonuses for staff and workers in foreign trade enterprises must be linked to plan fulfillment.

Fifth, the transport departments, banks, tax, customs, insurance, and other departments concerned must work in coordination and vigorously support foreign trade and exports.

SICHUAN ALLOCATES HOUSING FUNDS FOR PLA CADRES

HK200638 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 20 Jul 85

[Text] The provincial government recently decided to allocate a further 2 million yuan in funds for house-building and resettlement for demobilized PLA cadres. In order to complete the house-building work on time and up to mark in quality and let the demobilized veteran cadres move in soon, the provincial government has transferred personnel from departments and bureaus concerned and organized a joint work group with the provincial military district to visit the prefectures and counties in order to inspect house-building work, accept the new houses, and solve problems in construction work. Houses that are not up to standard are either repaired or rebuilt as necessary. Strict quality is enforced.

BEIJING SIGNS 44 JOINT VENTURE CONTRACTS

HK191011 Beijing ZHONGGUO XINWEN SHE in Chinese 1336 GMT 18 Jul 85

[Text] Beijing, 18 Jul (ZHONGGUO XINWEN SHE) -- Beijing signed 44 contracts for developing equity joint ventures and nonequity joint ventures in the first half of this year. This figure was equal to the total contracts concluded in the previous 6 years. These contracts amounted to \$584.25 million, 30 percent more than the aggregate sum of the previous 6 years. Of this, there are 39 equity joint ventures, totaling an investment of \$567.78 million.

The 44 projects include 20 equity joint ventures and nonequity joint ventures in industrial production, and 17 hotels and tourist facilities covering 410,000 square metres of land and involving a \$270 million of investment, including the Beijing international service center; a complex of hotels, apartments, and offices; and 14 medium-sized hotels for ordinary foreign and domestic tourist parties; fast food shops; and different types of consultation and information centers.

Meanwhile, in the first half of this year, suburban districts and counties of the municipality also concluded 18 contracts with foreign investors for equity joint ventures, accounting for 41 percent of the total contracts signed during this period.

From 1979, the year equity joint ventures were initiated, to the end of 1984, 18 equity joint ventures have officially started business in Beijing and have achieved economic and technological results to varying degrees.

Responsible persons of the departments concerned disclosed that Beijing is expected to conclude another 20 - 30 contracts for equity joint ventures in the second half of this year. In using foreign funds, this city will spend more on improving tourist and service facilities so as to create a more favorable investment climate; on the other hand, it will develop more equity and nonequity joint ventures in industrial production by making use of its advantages of a new industrial basis, rich technological resources, and a strong ability to absorb foreign funds.

FIRST NEI MONGGOL YOUNG PIONEERS' CONGRESS HELD

SK220416 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 21 Jul 85

[Text] After a 4-day session, the Young Pioneers' Congress of the Nei Monggol Autonomous Region concluded in Hohhot City on 21 July. The basic tasks adopted at the congress for the upcoming period are to gear the Young Pioneers' work to the needs of the program of building socialist modernization, the need to reach the world standard, and the need to ensure a prosperous future, as well as to encourage juveniles to study hard, boldly engage in practice, and steadily foster a lofty will in order to train the new communist successors of the present generation, successors with ideals and creative ability.

Through study, discussion, and exchanges of experiences, more than 180 representatives have defined the basic tasks of Young Pioneers in the new historical period, expanded their thought, and enhanced their confidence in their work.

The congress elected the working committee of the Nei Monggol Autonomous Regional Young Pioneers and approved the namelist of candidates for chairman, vice chairmen, and members of the regional Young Pioneers' Committee.

(Sun Xiushan) was appointed chairman of the regional committee, and (Wu He) and (Ren Min) were appointed vice chairmen of the regional committee.

At the congress, representatives also adopted a proposal to all members of the Young Pioneers throughout the region and a letter to all instructors of the Young Pioneers throughout the region.

The congress presented prizes to the 585 juvenile activists and advanced instructors and the 52 advanced units of the region that were commended by the CYL Central Committee, the Ministry of Education, and the Ministry of Culture in the national red-scarf emulation drive.

The congress also presented prizes and honorary banners to the 24 advanced schools and groups that were commended by the CYL Central Committee in the national campaign of enriching the life of middle school students.

The congress also announced the namelist of the 83 regional winners in the national emulation drive of creation among Young Pioneers members, and the decision of the regional CYL Committee with regard to commending the advanced units that won honorary titles in the national emulation drive of creation among Young Pioneers members.

TIANJIN PEOPLE'S CONGRESS COMMITTEE MEETS

SK210225 Tianjin City Service in Mandarin 0030 GMT 21 Jul 85

[Text] The 21st Standing Committee session of the municipal People's Congress was held on the mornings of 19 and 20 July at the meeting hall of the municipal People's Congress Standing Committee. Zhang Zaiwang, chairman of the Standing Committee of the municipal People's Congress, attended the session. Vice Chairmen Bai Hua and Li Zhongyuan, respectively, presided over the meetings held on the mornings of 19 and 20 July.

The session examined and adopted the regulations on the management of the Tianjin economic and technical development zone, regulations on the management of enterprise registration in the Tianjin economic and technical development zone, regulations on labor management of the Tianjin economic and technical development zone, and the regulations on land management of the Tianjin economic and technical development zone. These four regulations will go into effect from the date of promulgation.

The session listened to a report made by Liu Wentian, director of the municipal Industrial and Commercial Administrative Bureau, with the entrustment of the municipal people's government, concerning implementation of the PRC's economic contract law, and adopted a resolution on penetratingly implementing the PRC's economic contract law. The session also decided on some personnel appointments.

Attending the session were vice chairmen of the Standing Committee of the municipal People's Congress, including Zhao Jun, Fan Quan, Han Tianyao, Yu Fujing, and Shi Jian. Attending the session as observers were Li Lanqing, vice mayor of the municipality; and responsible persons of the municipal People's Procuratorate, various district and county people's congress standing committees, and various departments concerned.

MEASURES TAKEN TO EASE TIANJIN PORT CONGESTION

OW191419 Beijing XINHUA Domestic Service in Chinese 1654 GMT 15 Jul 85

[By Central People's Radio Station reporters Li Rongzu and Jin Shuhua and XINHUA reporter Shen Qifang]

[Excerpts] Tianjin, 15 Jul (XINHUA) -- The State Council leading group in charge of sea, land, and air ports convened a working meeting today in Tianjin to work out measures to solve the problem of backlogged containers at Tianjin Port.

Many ships converged on the port because some localities and departments ordered goods on their own from abroad, outside of plans, thereby overtaxing the port's handling capacity. Moreover, some units which were to take delivery of the goods failed to produce bills of lading or other shipping documents in a timely manner. As a result, some 6,500 containers were backlogged at container wharves at Tianjin Port by the end of June. Since 8 July the Tianjin city government organized the port and other relevant departments to transport the containers on an emergency basis. By 14 July some 1,200 containers had been shipped out of the port.

Shipping the containers is a task involving many departments and units and requires unified coordination. Therefore, the State Council leading group in charge of sea, land, and air ports, the State Economic Commission, the Tianjin city government, the Ministries of Communications, Railways, Foreign Economic Relations and Trade, Commerce, and other relevant departments convened this meeting. The meeting decided to adopt the following three measures to solve the problem of backlogged containers at Tianjin Port within 2 weeks.

1. Expand storage capacity and increase unloading capacity.
2. All departments concerned should work in coordination to accelerate the transportation of containers. It is necessary to ship 700 containers out of the port every day.
3. Strictly enforce state laws and decrees as well as the port administrative regulations. The owner of cargo should be asked to pay a storage fee and container rent if he fails to pick up the cargo within 4 days after it is unloaded from the ship. Charges should be doubled if he fails to pick up the cargo within 7 days. Cargoes which arrived at the port after February but have not been picked up by owners within 2 months should be confiscated by customs if the cargo has not been declared at customs, or by the Tianjin city government if the cargo has cleared customs. The meeting decided to confiscate a number of imported steel products and television sets which had not been picked up within the time limit, disposed of them on the spot, and turned the revenues over to the state.

HEILONGJIANG REPORTS RECORD DAIRY PRODUCTION

OW190745 Beijing XINHUA in English 0718 GMT 19 Jul 85

[Text] Harbin, July 19 (XINHUA) -- Heilongjiang Province produced a record 19,400 tons of dairy products in the first half of this year, local official announced here today. This was 15.8 percent more than in the first six months of last year.

Of the products, 18,700 tons of milk powder was produced -- 11.3 percent up on the 1984 figure. The number of varieties of milk powder, cream, condensed milk and cheese increased from 16 two years ago to 40 now.

The province, which turns out a quarter of China's dairy products, has invested 134 million yuan to build 72 processing factories and update 34 existing ones over the past five years. As a result, the daily processing capacity of fresh milk has risen from 300 tons in 1978 to 1,745 tons.

Provincial government also raised the price of fresh milk, acquired better breeds of dairy cattle and encouraged peasants to contract out and improve pastures. By the end of June, the province had 230,000 dairy cows -- 64,000 more than at the same time last year. The purchase of fresh milk was 170 million liters in the first six months -- 16 percent up on last year.

Output of dairy products was 35,737 tons in the whole of 1984, more than four times as much as in 1978. The products were sold throughout China and exported to Southeast Asia, Europe and America.

JILIN CROP RESTRUCTURING OFF TO GOOD START

SK220918 Changchun Jilin Provincial Service in Mandarin 1030 GMT 18 Jul 85

[Text] Our province achieved a good beginning in restructuring its agriculture in the first half of this year. More conspicuous were the reduction of the areas sown to corn and miscellaneous grains, and the increase of the areas sown to paddy rice, soybeans, and cash crops. By the end of June the province's total farmland showed a 0.6 percent decrease from that of the corresponding period of 1984. Farmland sown to grain and soybeans declined by 6.7 percent and that sown to cash crops increased by 59.2 percent.

With regard to the areas sown to grain and soybeans, we decreased corn acreage by 10.1 percent and increased that of paddyfield by 16.7 percent, achieving the province's goal of expanding paddyfields by 500,000 mu, and increased the soybean area by 20.4 percent, thus changing the situation in which the soybean areas have declined every year since 1976. With regard to the cash crop areas, we increased the areas sown to oil-bearing crops by 63.8 percent, increased beetfields by 40.6 percent to make it exceed that of 1980, which marked the largest beet acreage in our history, and increased the areas sown to flue-cured tobacco by 15.1 percent.

Proceeding from the need for grain conversion, all localities in the province have exerted great efforts to develop animal husbandry. By the end of June, the number of draft animals and hogs in our province showed a 5.7 and a 30.8 percent increase, respectively, over the figures calculated at the beginning of this year, and the number of poultry increased by 93.8 percent over that of the same period last year.

LI GUIXIAN SPEAKS AT LIAONING CONGRESS CLOSING

SK200511 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 19 Jul 85

[Text] The Fourth Session of the Sixth Liaoning Provincial People's Congress successfully closed this afternoon. The session satisfactorily accomplished the tasks of readjusting some component members of the provincial People's Congress and the provincial people's government and readjusting the president of the provincial People's Court and the chief procurator of the provincial People's Procuratorate. Based on full deliberations and discussions of various groups, the various deputations had decided, through preliminary elections, on the full candidates for the elections. This morning, the congress session held the election. Comrades Wang Guangzhong, Zhang Tiejun, Zhang Zhiyuan, and Cui Ronghan were elected vice chairmen of the Standing Committee of the sixth provincial People's Congress. Elected as Standing Committee members were Comrades (Wang Zhu), Shi Xiaotan, (Xu Zheng), (Li Hongjun), Zhang Jiufu, (Cao Youhui), Zhang Ming, (Dong Chengshu), and (Xhu Haiyan). Comrades (Bai Lichen), Zhu Jiazhen, and Lin Sheng were appointed vice governors of the provincial people's government. Comrade (Zhang Fangwen) was elected president of the provincial Higher People's Court and Comrade (Hu Qichang) chief procurator of the provincial People's Procuratorate.

Vice Chairman Xie Huangtian presided over this morning's meeting. Attending the meeting were Quan Shuren, Sun Weiben, and Li Changchun. Huang Oudong attended the meeting as an observer on behalf of the veteran comrades who had retreated to the second- or third-line posts.

Li Guixian, secretary of the provincial CPC Committee, spoke at the meeting. He said: In the current readjustment of organizations at the provincial and city level, quite a few veteran comrades volunteered to retreat from the first line and let young comrades take over their work. Their noble characters, sterling integrity, and practice of giving priority to the interests of the party and the people merit the respect, love, and esteem of the people across the province. On behalf of the provincial CPC Committee, he congratulated the successful convocation of the congress session, and raised the expectations of the new provincial-level leading bodies.

He said: Thus far, all leading bodies at the provincial level have been elected. The newly established leading bodies should have a new work style, should wholeheartedly serve the people, and should work for the interests of the vast majority. In the current organizational readjustment, many comrades have been promoted to leading posts very rapidly. They should not deviate from the masses, still less place themselves above the masses and act as lords and masters. We party-member cadres should share the comforts and hardships of the masses, should be the first to bear hardships and the last to enjoy comforts, should act as public servants of the masses, and should utter less idle talk and do more solid work. In the current reform, we must go deep into the realities of life to learn about new situations and solve new problems. Leading cadres at all levels must truly hold themselves responsible for their work, and help the grass-roots units solve practical problems. They should be concerned about the weal and woe of the people, and actually help the people solve the practical problems in production and livelihood. In short, they should firmly foster the idea of serving the grass-roots units and the people, and improve their style in leadership and work.

Comrade Li Guixian said: So long as all our current leading organizations work hard for the construction of the four modernizations, and so long as all our cadres make fruitful efforts to carry forward the fine tradition and work style of the party, work diligently, conscientiously and boldly without complaints, and pioneer the road for advancement, the magnificent goal of vitalizing Liaoning will certainly be attained.

XU SHAOFU ELECTED LIAONING CPPCC COMMITTEE HEAD

SK200555 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 19 Jul 85

[Text] The Fourth Session of the Fifth Liaoning Provincial CPPCC Committee came to a successful end this afternoon. The session fulfilled the scheduled agenda, and elected new leaders and additional members.

Xu Shaofu was elected chairman of the provincial CPPCC Committee, and (He Xiukui) was elected vice chairman. Ding Jianrui, (Wang Yuzhen), (Li Xiaoping), (Xu Mai), (Shen Yanyi), (Shang Jun), (Zhai Youming), and (Shi Zhenhua) were elected Standing Committee members.

At the afternoon closing ceremony, Xu Shaofu, the newly elected chairman of the provincial CPPCC Committee, and Song Li, the former chairman of the provincial CPPCC Committee, delivered speeches.

Comrade Song Li said: Abolishing the tenure system of leading cadres is important to the building of our party. When I leave my CPPCC Committee work, I hope all of you will further enhance your understanding of the importance of our future work of advance, fully display the political consultative and democratic supervisory functional role of the CPPCC Committee, strengthen the building of the CPPCC organs, and strive to create a new situation in the work of the provincial CPPCC Committee.

In his speech, Xu Shaofu thanked all participants for their trust and support for the CPPCC Committee. He expressed his determination to do a better job in the future CPPCC work together with all committee members. He stressed in particular that it is necessary to better display the advantage of the talented persons of the CPPCC Committee, fully display the role of intellectuals of the CPPCC in the political sector, as well as in building the spiritual civilization, opening to the outside world, and enlivening the domestic economy. He called for expanding the patriotic united front and serving for the realization of the three major tasks of the 1980's and the 1990's and making new contributions to making the country strong, enlivening Liaoning Province, serving the whole country, and moving toward the world.

YIN KESHENG ADDRESSES QINGHAI CPC PLENARY SESSION

NK210241 Xining Qinghai Provincial Service in Mandarin 1100 GMT 20 Jul 85

[Text] The Fourth Enlarged Plenary Session of the Sixth Qinghai Provincial CPC Committee was held in Xining on 18 and 19 July. This was the first such session to be held since the central authorities reshuffled the principal responsible persons of the provincial CPC Committee. After full debate and discussion, the participants elected by secret ballot the province's delegates to attend the national conference of party delegates.

Comrade Yin Kesheng made a speech in behalf of the provincial CPC Committee in which he summed up work in the first half of the year and outlined arrangements for the second half. He said: All fronts have recorded gratifying achievements in the past half year. Reform of the economic structure has proceeded smoothly and initial victory has been won. Economic construction has developed steadily, and the situation is very good. Party rectification has focused on key points and made smooth progress. A lot of work has been done in building spiritual civilization.

On work for the second half of the year, Yin Kesheng stressed: We must make new progress in reform of the prices and wages systems, in streamlining the administration and delegating powers, in invigorating the enterprises, and in opening up to the world and developing horizontal economic ties. Comrade Yin Kesheng stressed that in the second half of the year the province must concentrate on promoting economic results, develop township and town enterprises, and strengthen macroeconomic control.

He pointed out: All areas and departments must continue to get a good grasp of industry, agriculture, and animal husbandry. In particular, grain production must absolutely not be relaxed. There has been a lot of rain this year and temperatures have been lower than usual. In some areas there are more weeds than crops, while in others the crops are infested with diseases and insect pests. Grass on the summer pastures has not grown as well as in previous years. We must pay sufficient attention to these problems.

He said: Improving economic results is our fundamental starting point and basis in economic work. All aspects of economic work must be conducted to center on improving economic results. We must work hard to improve product quality, produce more high-quality and brand products, cut production costs, and increase product competitive ability. This must become the orientation for our main efforts in economic work. At present some enterprises whose products are in great demand do not attach importance to quality. As a result their profits are lowered and their economic results deteriorate. This state of affairs merits attention.

Vigorously developing township and town enterprises is the essential path we must follow in order to speed up the readjustment of the rural production structure and promote the second stage of rural reforms. It is also a fundamental way for increasing local economic strength and enabling the peasant and herdsman masses to get rich as quickly as possible. The party committees and government at all levels must attach great importance to developing these enterprises. They must strengthen guidance, help the lower levels solve practical difficulties, and provide vigorous support in talent, technology, capital, equipment, and so on. These enterprises should mainly be small and labor-intensive, they should develop more production outlets and ensure that they have sources of raw materials and sales outlets.

Yin Kesheng also stressed: We must continue to get a good grasp of second-stage party rectification during the second half of the year.

We must also implement the spirit of the national conferences on science and technology and on education, and get a good grasp of building socialist spiritual civilization.

In conclusion Comrade Yin Kesheng demanded that the party committees at all levels strengthen leadership, whether they are engaged in party rectification, reform, or the four modernizations. We must take a firm and effective step in this respect in the second half of the year, and bring about a relatively great improvement in the situation of the leadership groups at all levels, to meet the needs of developments.

The session was attended by members and alternate members of the provincial CPC committee, members of the provincial Advisory Commission, members of the provincial Discipline Inspection Commission, party-member vice chairmen of the provincial People's Congress Standing Committee, vice governors and advisors of the provincial government, party-member vice chairmen of the provincial CPPCC, and principal responsible comrades of all prefectural and city CPC committees, of departments of the provincial CPC Committee, and of party groups and committees of units subordinate to the provincial authorities, totaling 130 persons.

SHAANXI HOLDS MEETING ON GRAIN HARVEST, FLOODS

HK200557 Xian Shaanxi Provincial Service in Mandarin 0500 GMT 20 Jul 85

[Excerpts] The provincial government held a telephone conference yesterday evening, which demanded that the province get a good grasp of summer grain procurement, autumn grain production, and antiflood work. Liu Banxian, adviser to the provincial government, presided.

Vice Governor Xu Shanlin made a speech. He said: Despite various natural disasters, the province's summer grain production is nearly up to last year's level. By 15 July, the province had procured over 1.4 billion jin of summer grain, fulfilling 74.6 percent of the procurement quota. It is necessary to strengthen leadership, overcome slackness, and ensure the fulfillment of the 2 billion jin state procurement quota by 15 August.

This year the province has reaped a bumper rapeseed harvest and the procurement quote has been overfulfilled. We must readjust the mix of oil-bearing crops, formulate development plans, and strive for provincial self-sufficiency in edible oil in 3 years.

On autumn grain production, Vice Governor Xu Shanlin stressed: We must do everything possible to reap a bumper autumn grain harvest. We must base our efforts on fighting drought and other natural disasters. We must resolutely curb the bad trend of sabotaging water conservancy installations. The county governor must personally organize forces to seriously check on such cases and deal with them severely. We must get a good grasp of maintaining and repairing these facilities to ensure their availability for fighting drought in the autumn crops. We must also work hard at careful cultivation to raise the yield of these crops.

Xu Shanlin demanded that the province be prepared for major floods and be always ready for sudden torrential rainstorms and floods.

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C H I N A
PRC MEDIA ON TAIWAN AFFAIRS

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BEIJING QUESTIONS FREEDOM OF TAIWAN COMPATRIOTS

OW220425 Beijing in Mandarin to Taiwan 0130 GMT 17 Jul 85

["State Affairs Forum" by (Yang Fan): "On Reunification and Freedom"]

[Excerpts] Listeners and friends: I have noticed that Taiwan compatriots hold different views on reunification and freedom. Some fear that there will be no freedom and too many restrictions after reunification. Some hold that freedom and reunification are closely related and complement each other.

Freedom is mankind's noble cause. In seeking freedom, we should first of all seek freedom and independence for our country and people. I doubt whether people can enjoy personal freedoms in a divided and weak nation or region which has not achieved independence and where there is no freedom. For example, in the more than 50 years when Taiwan was ruled by the Japanese aggressors, the people of Taiwan did not enjoy personal freedoms. They were oppressed and bullied by the aggressors who did as they pleased.

Some people fear that Taiwan will lose its freedom after the motherland is reunified. This view is groundless. As everyone knows, many years of struggle by the CPC and the people of the whole country have led to the founding of the People's Republic of China, a truly independent, free, and democratic country in the East. China's international prestige has never been as high as it is today. Never has the Chinese nation been so proud and respected as it is today. The people of Taiwan and mainland China are the true descendants of the Yellow Emperor. After reunification, Taiwan, no longer an isolated province but a part of New China, will share the glory and benefits of the great motherland. The people of Taiwan will also become citizens of a unified country; they will have greater freedom and will no longer be cold-shouldered and discriminated against in their dealings with foreign countries.

Moreover, the CPC and the government of the motherland are pursuing a policy that respects history and reality. After reunification, Taiwan's social and economic systems will not change; the Taiwan people's lifestyle will not change; Taiwan's economic and cultural ties with foreign countries will not change. Listeners and friends, with these guarantees, the people of Taiwan have nothing to worry about.

Taiwan compatriots who have come to the mainland to visit relatives have said that some compatriots back home think that there are no personal freedoms on the Chinese motherland, that everything is militarized, that people lead a collective life, and that even marriage is controlled by a ration system. I think this misunderstanding has been caused by long years of division of the two sides across the Taiwan Strait and by the propaganda of the Taiwan authorities. Now, more and more Taiwan compatriots no longer believe their own propaganda.

What is the truth? The truth is, there is democratic politics on the mainland. Its economy is independent, and the people enjoy freedom of speech, communication, press, association, travel, and demonstration. There is freedom of family life and marriage. There is freedom of religious belief. There is also freedom of scientific research and literary and art creation. Moreover, these freedoms are protected by state laws.

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CHINA
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Proceeding from the fundamental interests of the people on both sides of the Taiwan Strait, the CPC and the government of the motherland have proposed that the two sides make arrangements to facilitate the exchange of mail, trade, and air and shipping services, and have time and again invited people of various circles in Taiwan to visit the mainland; they have also called on the Taiwan authorities to facilitate visits by relatives and tourists on both sides of the Taiwan Strait. I think this shows that the CPC has abandoned political considerations in favor of human relations and the freedom of rights of the people. However, the Taiwan authorities have acted conversely. They have repeatedly issued statements forbidding Taiwan compatriots to visit relatives or to go sightseeing on the mainland.

The Taiwan authorities have often charged that there is no freedom on the mainland. They have claimed that only they themselves represent freedom. Do Taiwan compatriots have true freedom when they are denied the right to visit their relatives and go sightseeing in their own country?

SUCCESSFUL TEST FLIGHT OF NEW MISSILE ANNOUNCED

OW191439 Taipei CNA in English 1430 GMT 19 Jul 85

[Text] Taipei, July 19 (CNA) -- The Republic of China's Defense Ministry Friday announced success of the test-flight of a recently self-developed ground-to-air missile. The ground-to-air missile, named Tien Kung (Sky Bow), is an achievement of much higher technology contributed by the ROC scientists and engineers than was the Hsiung-Feng ship-to-ship missiles they had achieved earlier, the ministry told reporters at a news conference here Friday.

During the test-flight of the new missile, Gen. Hau Pei-tsun, chief of the General Staff, and other ranking military officers inspected the test site and supervised the test operations. They were greatly satisfied with the test results, the ministry said.

The Ministry Chung Shan Institute of Science and Technology, through stepped up research efforts for years, has made a major breakthrough in high technology in their production of the Tien Kung missile, the ministry noted.

This new achievement marks a big step of this nation toward the goal of establishing an independent defense science. It is also expected that the Republic of China will soon enter a new phase in its R and D program for advanced weapons systems, the ministry said.

The ministry introduced the ground-to-air missile to reporters by showing a documentary film of the test flight. It did not elaborate functions and other details about the missile.

Papers Hail Test Flight

OW201201 Taipei CNA in English 1015 GMT 20 Jul 85

[Text] Taipei, July 20 (CNA) -- Major local newspapers Saturday hailed the recent successful test-fire of a domestically developed surface-to-air missile, calling it a major breakthrough in the country's defense technology. The UNITED DAILY NEWS said in an editorial that the successful launch of the Tien Kung (Sky Bow) missile marks a new milestone in establishing an independent and advanced defense industry. It is a particularly important development, the editorial said, since the Chinese Communists have been expanding their air and naval forces and heightening combat preparedness in the Taiwan Straits. Their moves pose a potential threat to the peace and security of the straits, the editorial said. With the successful development of the Tien Kung missile and the previously developed ship-to-ship Hsiung Feng missile, the editorial said, the country is now in a better position to deter communist invasion.

But the new missiles are still not adequate enough to safeguard the peace and stability of the Taiwan Straits, the editorial said. The government, it said, should take three more steps: step up development of sophisticated weapons, urge the United States to help this country establish an effective defense system by fully implementing the Taiwan Relations Act and urge it to stop selling arms and military technology to the Peiping regime.

The CENTRAL DAILY NEWS said in an editorial that the success of the Tien Kung missile will speed up development of other related defense weapons. It will also inspire private industry to join in research and development of defense technology.

The CHINA TIMES also ran an editorial to mark the event. The paper urged academic, military and business sectors to pool their wisdom and efforts to upgrade the local defense industry.

HSIN WAN PAO VIEWS UPLOMING LI VISIT TO U.S.

HK210934 Hong Kong Hsin Wan Pao in Chinese 21 Jul 85 p 1

["New Talk" column: "Reagan Was Discharged Yesterday To Receive Li Xiannian"]

[Text] After the removal of an ominous growth from his colon, U.S. President Reagan returned to the White House yesterday to resume work. The first piece of diplomatic work for him after his recovery is to personally receive President Li Xiannian of China as scheduled.

During his second operation, the U.S. media spread the news that Vice President Bush would host the state banquet to entertain Li. Later it was said that there would still be a meeting, although it would be delayed a few days. Now everything has returned to normal. On Tuesday morning, Reagan will formally receive Li Xiannian on the White House lawn. In the evening, they are to attend a state banquet and to toast each other.

Reagan's second term still has 3 and 1/2 years to go. The people of the United States and other countries are concerned about the question of whether or not Reagan, 74, can still shoulder the heavy responsibilities of a president after his illness. Thus, his appearance on this public occasion amounts to another of his performances in his political career. He has to convince people that his physical strength can still cope with everything.

In addition, by personally receiving Li Xiannian, he shows his close attention to Sino-U.S. relations. Li Xiannian is the first Chinese head of state to visit the United States. Their meeting under such conditions is suggestive of the efforts to strengthen the friendship between the two countries in their bilateral relations.

Commenting on Sino-U.S. relations, the U.S. media have mentioned the recent development in Sino-Soviet relations as well as Vice Premier Yao Yilin's visit to Moscow in early July. Answering a question raised by a Chinese reporter, Vice President Bush said: "The United States and China share many common views on global and Asian issues." The United States welcomes frequent meetings with China's senior leaders. His remarks mean more than their literal meanings.

Li Xiannian's entourage includes Ji Pengfei, state councillor and former foreign minister. At present there is still an outstanding problem between the United States and China, that is, the Taiwan issue. China has put forward the tentative idea of "one country, two systems" for its peaceful reunification. On this occasion, Ji Pengfei, who is responsible for Hong Kong and Macao affairs, may explain the concept "one country, two systems" by giving a living example -- the solution of the question of Hong Kong.

The Chinese leaders have recently been making efforts to train successors. Young leaders of the new generation are included in all visits to other countries. When Hu Yaobang visited Japan, he was accompanied by Wang Zhaoguo. Zhao Ziyang was accompanied by Tian Jiyun during his visit to Europe and Hu Yaobang was accompanied by Hu Qili during his visit to Australia and New Zealand. On this occasion, Li Peng and Wang Zhaoguo have accompanied Li Xiannian to the United States. This will aid the development of bilateral relations for a long time to come. Li Peng is known abroad as an expert in nuclear power. He will make special visits to nuclear power organizations and facilities in the United States.

One of the questions that draws the attention of various parties is whether or not they will sign the Sino-U.S. nuclear cooperation agreement at this meeting. Reagan initialed this agreement during his visit to China in the spring of last year. However, for its own reasons, the United States has been procrastinating on signing and implementation.

Before leaving Beijing, Li Xiannian answered reporters' questions on this, saying that China has done all it should do. Now we must see how Reagan is going to handle this problem after his illness. It is said that the formal signing is likely during Li Xiannian's visit to the United States. This will give impetus to the friendship between the two countries.

SHENZHEN TO CUT UNNECESSARY, COSTLY PROJECTS

HK200340 Hong Kong HONG KONG STANDARD (BUSINESS STANDARD supplement) in English
20 Jul 85 p 1

[Text] The deputy mayor of Shenzhen said yesterday that the projects which are "not necessary" and require large investment will be cut down this year. Mr Zhou Xiwu said the city has been allocated as much foreign reserves as last year's, and Shenzhen economic development will proceed in a "controlled and orderly" fashion. Mr Zhou made the remarks after the opening ceremony of the joint venture Hua Ying oil depot and the second Hua Ying filling station at Shekou in Shenzhen.

He said the speed of industrial development in the zone, the scale of its infrastructure and the oversupply of renminbi are all "interrelated." It is not a question of being "open or not open;" some kind of rationalisation will have to take place, he said.

However, Shenzhen will fulfill all its agreements with foreign investors, Mr Zhou said. Projects under discussion will be decided upon according to their suitability. The deputy mayor said foreign investments in the zone are continuing unabated.

The Hua Ying oil depot and filling station is 40 percent owned by Shell Developments (HK), with the remaining 60 percent divided equally between the two Chinese partners, China Merchants Steam Navigation and China Marine Bunker Supply.

Construction of the \$21 million Hua Ying project got underway some 18 months ago, and operation of the depot is due to start soon, said Shell's Mr H.G. Webb-Peploe, who is also Hua Ying deputy managing director. "All products and facilities are backed by the advanced technology of Shell," he said. Last year's Shell oil sales in Shenzhen totalled some 10,000 tons at U.S. \$2.5 million, according to Shell trading manager Mr W.T. Shu, and it will take Shell "more than five years" to recoup its investment. Sales for the first half of this year added up to 6,000 tons, and the expected volume for 1985 is 15,000-20,000 tons. "The competition is very stiff," Mr Webb-Peploe added, and this comes from the Chinese themselves and other Hong Kong oil companies which are allowed to sell directly in Shenzhen. "It is not a gold mine, but profitable," he continued.

Shell's oil supply was brought to Shenzhen by land last year. With operation of the depot, the oil will start arriving by sea. "It will be much cheaper and we will be able to sell more," Mr Webb-Peploe said. The oil is mostly sold to the 40 or so customers in the Shekou industrial zone for hard currency, Mr Webb-Peploe added.

The second phase of the South China Sea offshore oil exploration is expected to get underway around next September, Mr Shu said.

The depot takes up 8,000 square metres and is equipped with three oil tanks totaling 4,500 tons in capacity, pipelines and pumps, a godown for dangerous goods, and oil jetty, a self-propelled barge, bulk lorries, and fire fighting facilities, "all designed to international standards."

Petroleum products include fuels, lubricants, LPG and solvents for industrial and domestic consumption in Shekou, and for offshore vessels and drilling platforms.

"We would like to sell as much oil as possible, and will expand the facilities if the market calls for it," Mr Webb-People added.

SHENZHEN TO SET UP GOVERNMENT ADVISORY GROUP

HK210436 Hong Kong HONG KONG STANDARD in English 21 Jul 85 p 2

[HONG KONG STANDARD "Special Report" by Tim Hamlett, Tsang Shuk-wa, Annie Lam, and Ivan Lo: "Consultative Panel Next Year"]

[Text] A Shenzhen SEZ [special economic zone] Consultative Committee will be formed next year as the highest advisory body for the municipal government, according to the vice mayor, Mr Zou Erkang. The committee will be formed of outsiders from the SEZ, probably Hong Kong public figures, scholars and businessmen. The number of members recruited to the committee will be 20-odd.

The idea was inspired by the national version presided over by Dr Goh Keng Swea, former finance minister of Singapore, to advise on the city state's economic affairs. It was learned that Mr Goh had made a trip to the SEZ early in May and stayed for a few days with two other foreign consultants. One of them is known to have been Dr Vincent F.S. Yip of Singapore's Economic Development Board who is also involved in planning the Singapore Science Park. Although China and Singapore have no diplomatic relations, flights between the two countries by Singapore Airlines were inaugurated in May and trade between the two countries has increased by 54 percent in the last two years. Sources in the mainland said Dr Yip was present in the delegation to examine the idea of developing science park in the SEZ. But SEZ government was in fact planning to develop another industrial park on top of the existing four. It is planned to build this on the site reserved for the Yiazhou Daxue (Asia University). The plan to build the university has been shelved.

Meanwhile, the leadership of the SEZ is changing, but not following the trend towards youth in the rest of the nation.

The original leadership of Shenzhen was on average younger than that in most other parts of China. In 1980, when the zone was first set up, the average age of the higher officials was 52. It has risen to 55 now.

The leadership is getting older because of the rejuvenation of the central government and other municipal governments. Young cadres from the SEZ have been transferred from Shenzhen to other localities, said Mr Zou Erkang.

The SEZ has lately recruited a new vice mayor who is below the average age of the cadres. Ms Wu Xiaolan, the wife of Canton mayor Mr Ye Xuanping, was trained for the engineering profession and had been stationed in Moscow for four years. She had been working with Beijing's China Machinery Import/Export company, a state-owned engineering firm, before coming to the SEZ.

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